SBSP Business Foundations Course Description

This course is built around a continuous time simulation that requires players to integrate concepts and tools learned in the course, including accounting, finance, statistics, economics, strategy, marketing, operations, decision making, negotiations and leadership.

Student teams compete in a market environment in which they make and implement financing, investing, product design, production, distribution, and other marketing and operating decisions.

Similar to a live business environment, the play and outcome of the simulation depends on the actions taken by the market participants. Teams must be able to pivot and adapt their strategies and partnerships in order to succeed.

The class culminates in a final project in which teams discuss and evaluate their strategies and value each company using discounted cash flow analysis.

Course Objectives

Students will gain a practical understanding of the strategy, investing, financing and operating activities of the firm and how they are applied to running and valuing a real business. They will understand how leveraging competencies in leadership, management, decision-making and negotiations increase the profitability and value of the company.

Scenario

All companies will start out with a small job shop producing a simple watch with a heart rate monitor. The company is need of a turn-around so you will do this and will spend three to four simulated years growing the company, through new product development or otherwise, into one ready for IPO, LBO, MBO or other exit possibilities, e.g., a trade sale.

Teams

Students will form teams of 5 or 6 members, depending on class size. When choosing teams, consideration should be given to who will best lead the company and who will manage the following functions: finance, accounting, analytics, product development, production, supply chain management, marketing and business development.
Evaluation

Course grades will be based on class participation, peer evaluation, game play, daily homework assignments, five quizzes and a final project.

The final project is based on a summary of the strategic, investing, financing and operating choices made during the simulation period and requires students to perform a valuation of your company.

Game Play

Please find below some of the activities involved in running a company that students will perform during the simulation:

Strategy

- Formulate and execute strategies for corporate structure, governance, growth, operations, marketing and financing
- Identify regional, industry, and product entry and exit points
- Create short-run and long-run competitive advantages for the company

Operating Activities

- Allocate team tasks and management
- Manage production capacity
- Design and manage a supply chain
- Manage a product portfolio
- Make pricing decisions
- Formulate and execute a channel strategy
- Negotiate with other teams to build strategic partnerships

Investing & Financing Activities

- Perform market research
- Make product and capital investment decisions
- Determine working capital needs and manage cash flows
- Determine capital structure and payout policy
- Prepare and analyze financial statements
- Forecast financial statements, free cash flows and value the firm