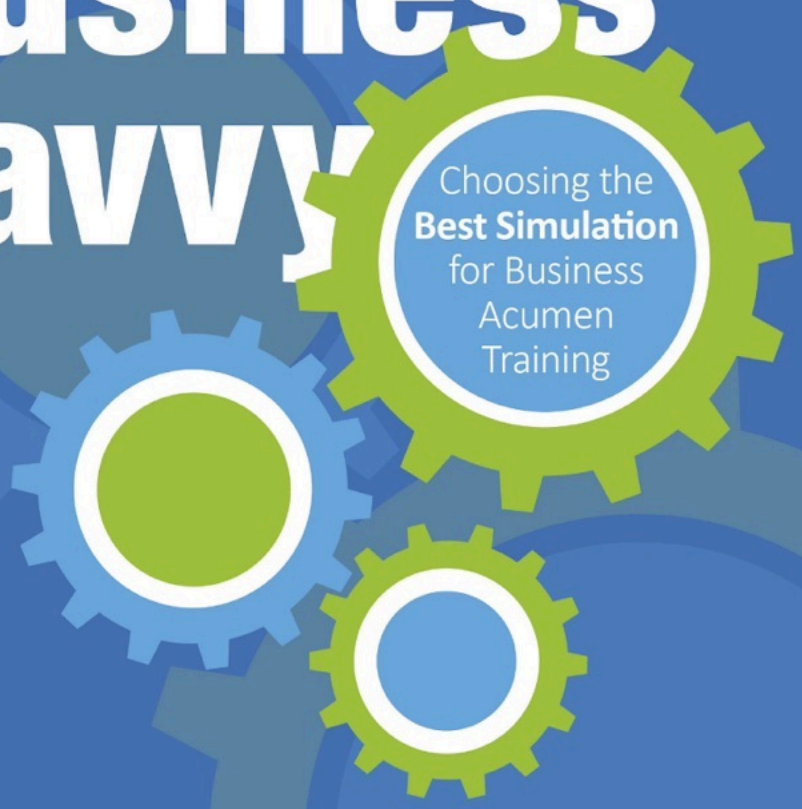
Building Business Savvy



Eliza Helweg-Larsen
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Building Business Savvy: Choosing the Best Simulation for Business Acumen Training

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Introduction

Developing a foundational understanding of business among employees at all levels is essential for organizational success. Targeted business acumen training ensures that employees can make informed decisions, understand business dynamics, and contribute effectively to organizational goals.

Games and simulations are often used for business acumen training programs ([1, 2, 3,]) and selecting the right business simulation game plays a crucial role in this process.

By focusing on simulations that promote open decision-making, team-based learning, and real-world business drivers, among other qualities, you can ensure that employees gain a comprehensive and practical understanding of business operations. This approach leads to improved decision-making, better collaboration, and overall enhanced business acumen throughout your organization.

Here's a guide to help you identify key qualities to avoid and seek when selecting a business simulation for your business acumen program.

 AVOID:	LOOK FOR: 
Passive or automated learning	Truly experiential learning
Closed decision-making	Open decision-making
Audio/Visual Learning Only	Integrated Learning & Playing
Classical Game design	Playful Learning Design
The *Wrong* Business Drivers	Relevant Business Drivers
Hidden rules	Transparency
Fine-Grained Detail	Broad-Brush Concepts
Silo Thinking	Whole Business Thinking
Partial Financial Statements	Full Financial Statements
Temporary Learning	Life-Long Learning
A Mix Of Unrelated Solutions	A Scalable Simulation
Too Much Focus On Your *Company*	A Focus On Your *Industry*

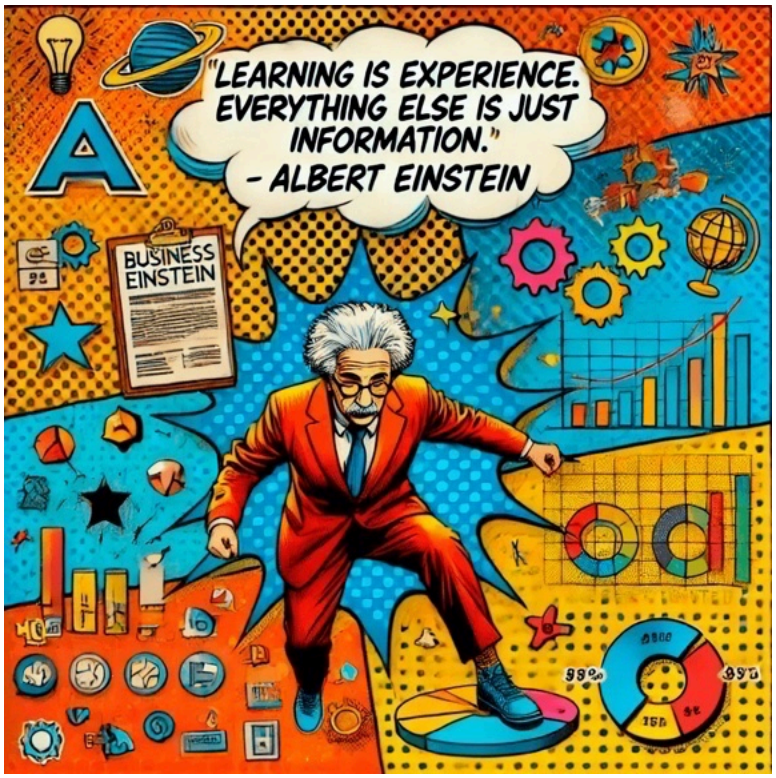
Caution: This guide looks at simulation qualities needed for a business acumen solution. A simulation that does not meet the ‘Look for’ criteria on the right will not be a good business acumen solution, but it may still be useful in other applications. For example, a simulation game designed to help customer service agents improve techniques for handling ‘cancel my account’ calls, might not meet these criteria because it focuses on a specific part of the business. It is unlikely to develop the agents’ foundational understanding of the business they represent, it can be very effective at reducing service cancellations.

Experiential Learning

Active Learning: Learning by Doing

Humans learn best through playing and doing—not just by watching and listening. This experiential approach is fundamental to how we are designed to learn. In a well-designed hands-on business simulation, participants can engage with the abstract concepts of business in a tangible way. They can see and touch how a business operates, make decisions, and immediately see the results. This process of learning by doing creates a mental framework that helps participants retain and apply concepts in the future.

When learners create cause-and-effect relationships through their actions, they make connections more rapidly and develop their business acumen. Conversely, if there is a gap between a decision and its effect, participants may forget the decision or the reason behind it. Similarly, if too many components generate a single result, learners might not identify which decisions were crucial, weakening their learning experience.



Albert Einstein's insight applies to business simulations: experiential learning offers deeper understanding than mere “information."

Key Questions to Ask:

Many simulations claim to offer experiential learning, but it is important to understand how participants are experiencing the learning.

- Where is the content? Is it embedded in the game itself, or is it primarily delivered through facilitator lectures, multimedia, and written materials?
- Where is the game? Is it connected directly to the learning?
- During intervals between rounds of activity, what structured learning occurs? Does it relate to the game, or the real world, or (ideally) both?

Here are additional questions that can provide insights:

- Are participants watching or actively engaging in the simulation?
- Is the simulation a unique experience for which they can own the results? Or are all teams in the same position?
- If they are in unique positions, how are they different and how did they get there?

True experiential learning leaves participants with a robust mental framework for retaining and applying concepts in the future. By ensuring that learning is active and engaging, you can significantly enhance the effectiveness of your training programs and improve organizational success.

 **AVOID:**	**LOOK FOR:** 
Passive or automated learning *Because*… it will limit engagement and reduce retention.	**Truly experiential learning** *Because*… it utilizes hands-on, interactive methods to drive engagement and retention.

Decision-Making and Accountability

Unlocking Engagement: The Power of Emotional Investment

In business simulations, the type of decision-making greatly impacts accountability and engagement. **Open decision-making** gives teams full autonomy over business operations such as pricing, capacity, borrowing, and customers. This autonomy fosters emotional engagement and a sense of ownership over results. When teams are accountable for their decisions, they are more invested in the outcomes, and this leads to deeper learning and application.

Conversely, **closed decision-making** can alienate learners. In such a model, a facilitator may rely on scripted scenarios that funnel all teams to identical outcomes, restricting participant engagement. Or a rigid decision tree can dictate predictable paths, diminishing the learner's active role. Or facilitators might prematurely conclude that students have grasped new concepts, and implement decisions that presume this understanding. In each of these scenarios, progress within the activity occurs regardless of actual learning, undermining the educational intent of the program.

Similarly, random decision-making, such as using dice rolls or cards, may engage participants -- but the chance factor removes responsibility for results, and fails to allow participants to apply learned concepts. Good decision-making does not lead to random results!

Key Questions to Ask:

- What kinds of decision-making does the simulation use?
- Who makes the decisions – individuals, the team, the facilitator, or the simulation itself (i.e. fixed paths and decision-trees)?
- How much chance is involved?
- Does the simulation build accountability–do participants truly own their results?
- Can participants apply what they have learned within the simulation?

The level of accountability you seek in your organization should guide your choice of simulation. For foundational business understanding, seek simulations with open decision-making. This approach ensures teams have complete control over their business decisions, fostering emotional engagement and accountability. By owning their results, participants are more likely to internalize and apply the concepts they learn, driving real-world business success.

 AVOID:	LOOK FOR: 
Closed decision-making *Because*… it will limit engagement and reduce retention.	**Open decision-making** *Because*… it engages learners: it's a game they control. (Bonus: this develops autonomy and accountability!)

A Mix of Learning Styles

Serious Games are Education

A business acumen program serves as a foundation for other training and development content so the business simulations should address the full range of learning styles. (And because it's also a game, it should also address the range of Player Types - discussed in the next section). .

Traditional Learning Styles

The four traditional learning style reflects a different way of absorbing information: auditory learners benefit from spoken instructions, visual learners from graphs, textual learners from written materials, and kinesthetic/ tactile) learners from moving around and hands-on activities.

Effective business simulations cater to auditory, visual, textual, and kinesthetic learning styles.

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Failure to integrate these styles can lead to educational gaps, as learners unable to engage through their preferred modes may experience reduced comprehension and retention. For example, neglecting kinesthetic activities may disengage those who learn best through physical interaction and practice, limiting their ability to fully grasp complex business scenarios

When people play the Income|Outcome tabletop simulation they activate kinetic/tactile, spatial/visual, auditory, and logical learning styles. The same styles are present in the online simulation: even though the kinetic elements are not as strong, the experiential learning remains.

This holistic approach creates a rich learning environment where participants are fully involved, enhancing retention and application of business concepts.

By integrating multiple learning styles into your simulation, you cater to the diverse preferences of your audience, ensuring a more effective and inclusive training experience. This comprehensive engagement not only makes learning more enjoyable but also significantly improves the retention and application of business acumen principles.

 **AVOID:**	**LOOK FOR:** 
Audio/Visual Learning Only *Because*… it will neglect 2 of the key learning styles.	**Integrated Learning & Playing** *Because*… people learn better when **actions** lead to **results**, and both lead to **analysis and discussion.**

A Mix of Player Styles

Playful Learning: Meeting the needs of different Players

Selecting a business acumen simulation involves considering both learning outcomes and game dynamics. While aligning with **learning styles** is essential (see previous section), modern simulations also require attention to **player types**.

Player Types

In 1996, Richard Bartle developed player type theory, creating a 'taxonomy' of players based on their gaming preferences and behaviors. These categories help explain how different players interact within game settings and provide a valuable framework for selecting simulations for learning and development programs.

Adapting Bartle's Player Types to Business Simulations

Competitors: Enjoy competition and conflict. Simulations with head-to-head challenges or scenarios where teams compete for the best financial outcomes motivate them.

Achievers: Thrive on achieving goals and accumulating points or badges. Activities with clear objectives, like improving financial metrics, keep them focused and motivated.

The Bartle Player Type taxonomy can be modified for use with business simulations for learning.

Collaborators: Seek interaction and cooperation. Team-based decision-making will fulfill their need for social engagement and make learning more enjoyable.

Explorers: Are drawn to uncovering new areas of knowledge. Opportunities to explore strategies and the nuances of financial decision-making keep them engaged and curious.

Player types are dominant styles, not rigid stereotypes. In a 4-hour game, people exhibit different types depending on the activity. Good design will incorporate competitive, goal-oriented, collaborative, and exploratory activities.

Key Questions to Ask About the Simulation:

- For Collaborators: Does it allow team-based decision-making?
- For Explorers: Does it allow for exploration and different strategies?
- For Achievers: Does it measure team results and allow improvement?
- For Competitors: Does it have the head-to-head competition they need?
- For Everybody: Is the team held accountable for the results?

Many games and business simulations are designed for Competitors and Achievers. Creating a competitive game that also engages Collaborators and Explorers is more challenging; it requires incorporating interactive and collaborative elements to ensure all participants feel motivated and included.

 **AVOID:**	**LOOK FOR:** 
Game design that only focuses on *Competitors* and *Achievers* *Because*… it will only satisfy and engage some of the participants, some of the time.	**Playful Learning design with 1) exploration and 2) collaborative decision-making.** *Because*… it allows participants to play and learn in the mode that best engages their personality and their 'mood of the moment'.

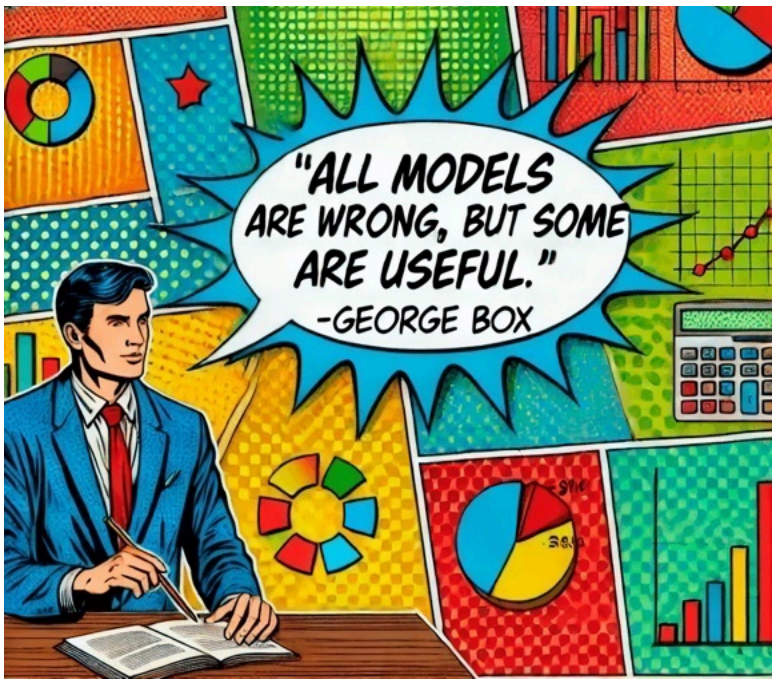
How Appropriate are the Business Drivers?

Real-World Relevance: Using Genuine Business Drivers

Some simulations promote a predetermined 'best strategy' for winning, such as by entering a new market or region. While these high-level decisions are critical, they may not be relevant to most participants, who often do not have the authority to make such strategic moves in the real world. For a simulation to be effective, it should incorporate a range of business drivers that mirror the decisions participants make in their daily roles—covering operations, sales, marketing, administration, and finance.

By including a variety of business drivers, participants can see how their decisions impact overall success, creating a more realistic and engaging learning experience. Look at the kinds of decisions being made in the simulation and their relevance to your audience. For example:

- **High-Level Decisions**: Entering a new product line or market is typically a strategic decision only made by senior management.
- **Operational Decisions**: A lower-level audience benefits more from simulations focused on operational improvements, such as process enhancements, payment terms and resource allocation.



Choose a simulation that uses relevant drivers in a way that also creates engagement.

A simulation game is a model of business, and it cannot capture all of the individual drivers for each part of the business.

Key Questions to Ask:

- Does this simulation have a predetermined 'best strategy' for winning? E.g. Do most of the winning teams have a common strategy (e.g. new product or region)
- Can teams follow different strategies, with equal chances of success?
- Are these strategies relevant to your audience? Do they contribute to this type of decision regularly? (And is this the type of thinking you want to encourage?)

Avoid simulations with inappropriate business drivers. Instead, choose simulations that reflect real-world business drivers relevant to your participants' roles. This ensures that success in the game is determined by the same kinds of decisions they make at work, enhancing the applicability and impact of the learning experience.

By focusing on simulations that offer relevant real-world business drivers, you help participants develop the skills and insights needed to improve their performance and contribute meaningfully to the organization's success.

 **AVOID:**	**LOOK FOR:** 
Modeling The *Wrong* Business Drivers *Because*… unrealistic or irrelevant scenarios do not connect to real-world functions.	**Relevant Real-World Business Drivers** *Because*… people *connect to* scenarios that reflect their real-world roles, and the learning sticks!

Hidden Dynamics vs. Transparency

Building Trust: The Role of Transparency in Simulations

Transparency is crucial when teaching foundational thinking in business simulations. When learners can see how results are generated, they build trust in the model and better understand the cause-and-effect relationships involved.

With a 'black box' approach, a team inputs a decision and gets a result without seeing what caused it; this can hinder foundational learning. While black box models may be useful in other contexts, they are less effective for foundational learning as they obscure the underlying mechanics, making it harder for participants to grasp essential principles.

Another concern with hidden rules is the potential for participants to try and 'game' the system. If they perceive the simulation as having a mechanical aspect, they might adopt a mechanical approach to 'win,' neglecting the important lessons intended by the exercise. This behavior can detract from the educational value of the simulation.

Key Points to Consider:

Visibility of Results: Ensure participants can see how their decisions impact outcomes.

- A transparent model builds trust, enhancing the learning experience.
- Transparency discourages mechanical approaches (‘gaming’ the system) and promotes genuine learning.

By prioritizing transparency, you help participants develop a clear understanding of foundational business concepts. This clarity fosters trust in the simulation, ensuring that learners take away the learning and can apply them effectively in real-world situations.

 AVOID:	LOOK FOR: 
Hidden rules (or a ‘black box’ process) *Because*… they will obscure understanding and destroy trust.	**Transparency** *Because*… participants see how their **everyday actions change the business.**

Fine-Grained vs. Broad-Brush Concepts

Big Picture Thinking: Emphasizing Broad-Brush Concepts

A simplified business simulation can be a good tool for business acumen. It is like a cartoon: it omits unnecessary details while highlighting essentials such as cash flow, profit, and cost structure. It focuses on *concepts* rather than *details*: simple modeling of dynamics like financial statements, market pressures, inventory control, and managing for profit (as well as cash flow!)

Computer simulations with detailed financial modeling might actually interfere with teaching the broader concepts. For both board game and online simulations, introduce detailed complexity only after providing a clear, simple overview of business workings. **Start with a simplified model to focus on key financial drivers.**

Key Points to Consider:

- **Simplified Models** highlight essential business concepts.
- Ensure participants have a strong grasp of the **big picture** before delving into fine-grained details.
- **Progressive Learning**: Begin with broad concepts and progressively introduce detailed complexity as participants' understanding deepens.

For building foundational business understanding among employees at all levels, focus sessions on the big picture rather than fine-grained financial details. A simplified model using whole objects (and round numbers) is more effective for foundational learning than one relying on fractions and decimals.

AVOID:

LOOK FOR:

Fine-Grained Detail	**Broad-Brush Concepts**
Because… it will overwhelm the learner with unnecessary detail and prevent their developing a 'big picture understanding'.	*Because*… Focusing on fundamental business principles builds the foundation needed to understand the details.

Silo Thinking vs. Whole Business Thinking

Unified Vision: The Benefits of Whole Business Thinking

The purpose of business acumen training is to have everyone thinking about the long-term health of a company. This requires a comprehensive understanding of how all components of the business work together to achieve results. Decisions in one area don't just impact the bottom line; they also influence the ability of other departments to make sound decisions.

For example, if Finance decides not to raise more capital, Operations can't expand, and Sales can't pursue the largest and potentially most profitable customers. A simulation that focuses solely on one department encourages silo thinking and may inadvertently harm other departments.

Similarly, if a simulation gives weight only to the views of a few stakeholders, it may distance learners from engagement and accountability.

Including a variety of stakeholders helps create a big-picture understanding of the business's needs and ensures that participants understand the interconnectedness of their roles.

Stakeholders to Include:

- **Customers** want low prices, high quality, and extended payment terms.
- **Salespeople** aim to increase market share.
- **Operations** focus on improving efficiency.
- **R&D , Marketing** drive future growth and innovation.
- **Finance** manage cash flow needs and financial health.
- **Suppliers** need timely payments to sustain their own businesses.
- **Investors** accept risks for potential rewards (dividends, long-term growth).
- **Senior Managers** are responsible for ensuring cohesive operation.

Key Questions to Ask:

- Does the simulation represent the views of all key stakeholders?
- Does the simulation demonstrate the interconnectedness of business functions?
- Can participants see how their decisions on different parts of the business?

When business simulations provide a holistic view that includes internal and external departments, participants gain a better understanding of how all components work together to achieve business success. This comprehensive perspective fosters whole business thinking, breaking down silos and promoting a more integrated approach to decision-making.

By emphasizing the interconnectedness of all business functions, business acumen training can significantly improve the strategic thinking and collaborative capabilities of participants, ultimately driving the long-term success of the organization.

 **AVOID:**	**LOOK FOR:** 
Silo Thinking *Because*… it will lead to isolated decisions which ignore broader business needs.	**Whole Business Thinking** *Because*… it promotes decision-making to benefit the company.

Partial vs. Full Representation of Financial Statements

Complete Picture: The Benefits of Full Financial Statements

The ability to read financial statements is a fundamental aspect of business acumen. Understanding how these statements are constructed further enhances this skill. When evaluating a business simulation, it's essential to consider how well it supports the understanding of financial statement structures and purposes.

Key Questions to Ask:

- How well does the simulation support understanding the structure and purpose of financial statements?
- If the balance sheet and profit & loss (P&L) statements are modeled in the game, is there a complete representation, or are some elements missing?
- Is there an easy transition between the simulation representation and real financial statements?

To ensure participants gain the ability to read financial statements, the model used in your business acumen simulation should represent all elements of the balance sheet and P&L. Simulations that use partial financial statements do not support this objective effectively. Instead, a comprehensive model is needed to represent all elements, allowing participants to understand the full picture.

The Income|Outcome game board gives financial statements a physical structure that clarifies the inherent relationships between the different financial elements. This physical representation helps participants visualize and understand how financial statements are built and how they function.

Key Points to Consider:

- **Complete Representation**: Ensure the simulation includes all elements of the balance sheet and P&L, providing a full understanding of financial statements.
- **Transition to Real Financial Statements**: The simulation should facilitate an easy transition from its representation to actual financial statements, ensuring that participants can apply what they've learned to real-world scenarios.

By using a simulation that offers a complete and accurate representation of financial statements, participants will come away with a strong ability to read and understand these crucial documents. This understanding supports better decision-making and enhances overall business acumen.

Conclusion: To build a solid foundation in business acumen, choose simulations that fully represent financial statements. This approach ensures that participants gain a comprehensive understanding of financial structures, enabling them to read and interpret financial data effectively and make informed business decisions.

 AVOID:	LOOK FOR: 
Partial financial statements *Because*… the game will provide an incomplete understanding of business.	**Full financial statements** *Because*… the game builds a complete picture of the needs of the business. (E.g. the need to manage for both Cash Flow and Profit.)

Does Learning End When the Workshop Ends?

Continuous Growth: Ensuring Lifelong Learning

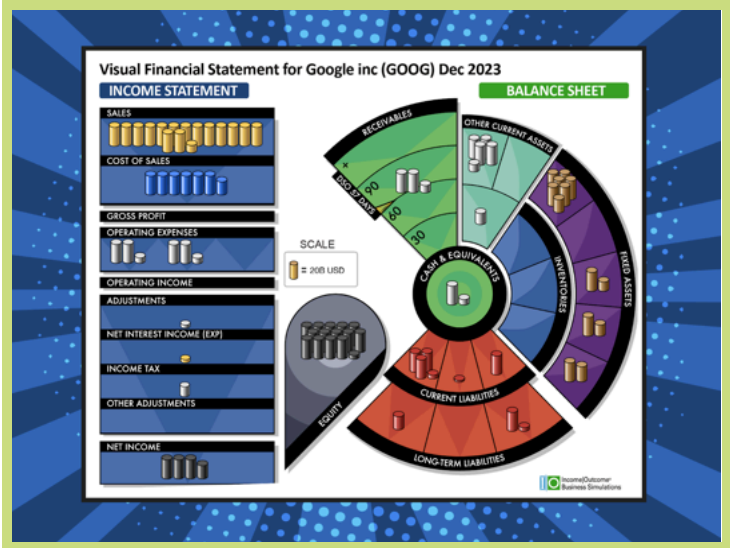
Having people complete a financial statement and learn to do a budget are significant steps in improving business acumen. However, the true value of a business acumen solution lies in its ability to provide ongoing benefits beyond the initial learning experience.

Key Questions to Ask:

- Is the simulation itself an ongoing useful model for thinking?
- Will participants be able to improve their work processes or decision-making by referring back to the simulation experience?
- Is the simulation memorable and impactful enough to provide lifelong benefits?

At Income|Outcome, we answer that first question with a tool called ***Visual Finance*** - *it's* a 3D visual representation of a company's current financial position. Visual Finance simplifies complex financial concepts through interactive visualizations, making financial statements and data more accessible and understandable for all participants. In the classroom and back on the job!

Lifelong learning: The *Visual Finance* module bridges the gap between classroom learning and real-world application. It's a memorable image that stays with participants.



Participants use Visual Finance to read financial statements and see ratios at a glance - after the workshop and throughout their careers. They can look at results for the home company, competitors, customers, suppliers (or their personal investments… it all improves their understanding of business!)

Key Benefits of Lifelong Learning Tools:

- **Ongoing Usefulness**: The simulation should serve as a continuous model for thinking and decision-making.
- **Real-World Application**: Tools like The Company Board transition learning from the classroom to real-world scenarios, making the knowledge applicable and practical.
- **Memorability and Impact**: The simulation experience should be engaging and memorable enough to provide lasting benefits, ensuring that the skills and knowledge acquired stick with participants throughout their careers.

By incorporating tools that facilitate lifelong learning, business acumen training becomes more effective and impactful. Participants can continually refer back to their simulation experiences to improve their decision-making processes and work more effectively within their organizations.

Conclusion: Choose simulations and tools that ensure continuous learning and application. Lifelong learning tools like *Visual Finance* help participants retain and apply their knowledge, making the business acumen training truly stick and providing lasting benefits throughout their careers.

 **AVOID:**	**LOOK FOR:** 
Learning That Ends When The Workshop Ends *Because*… It does not add to growth and development.	**Applied Learning & Life-Long Learning** *Because*… learning that goes beyond the classroom ensures practical skill application and ongoing growth.

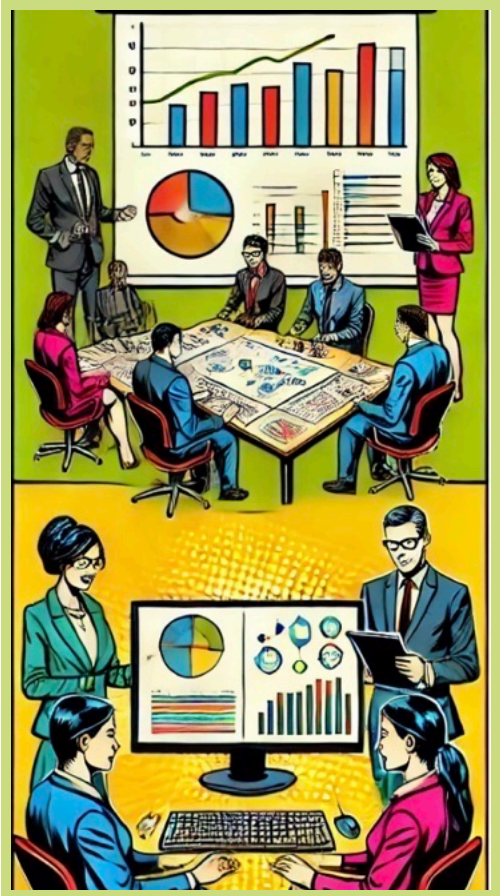
A Mix of Unrelated Solutions vs. A Scalable Simulation

Seamless Learning: The Value of Integrated Simulations

If you are looking for multiple simulations for multiple audiences, ensure that the simulations share a common ‘look and feel’. Separate training solutions for managers and supervisors should facilitate, not complicate, the communication between the two groups.

If you are using multiple simulations to build business acumen across the organization, it’s crucial to ask if the simulations help create a common understanding of business. Will a salesperson be able to use their simulation experience when talking to someone from finance? A cohesive approach will ensure that employees at all levels can communicate effectively and share insights from their respective learning.

Online Simulations



In today's business environment, digital integration is increasingly important. For many training needs, it has important features:

- **Remote Accessibility:** Globally accessible, enabling collaboration among dispersed teams.
- **Real-Time Feedback l**ets participants see impacts and adjust strategies.
- **Data Analytics:** Integrate tools to help interpret data for analysis and decision-making.

If you want to use both digital and face-to-face solutions, it's critical to maintain a consistent user experience across the two platforms. This consistency is particularly vital for individuals with similar job functions, ensuring that the learning experience is uniform, whether accessed online or in person.

A Scalable Simulation

For organizations with diverse audiences, it's crucial to choose a scalable simulation that maintains a common language, dynamics, and imagery. This ensures tailored programs for different decision-making levels while fostering a unified understanding of business concepts across the company.

- **Consistency**: All employees are on the same page, regardless of their role.
- **Communication**: Everyone speaks the same 'business language.'
- **Tailored Learning**: Each program is tailored to the specific decision-making needs of its audience, making the training more relevant and effective.

By adopting a scalable simulation, you can create a seamless learning experience that enhances communication, understanding, and collaboration across the organization.

Key Questions to Ask:

- Do the different simulations, or different levels of simulation, share a common language, dynamics, and imagery?
- Are the different simulations tailored to reflect the decision-making levels of their target audiences?
- Will these simulations help create a unified understanding of business concepts across different departments?

 AVOID:	LOOK FOR: 
A Mix Of Unrelated Solutions *Because*… if people go through different programs, they will not have a common language or understanding of the needs of the business.	**A Scalable Simulation** *Because*… people going through different programs have a shared experience, a common language, and can better communicate about the needs of the business.

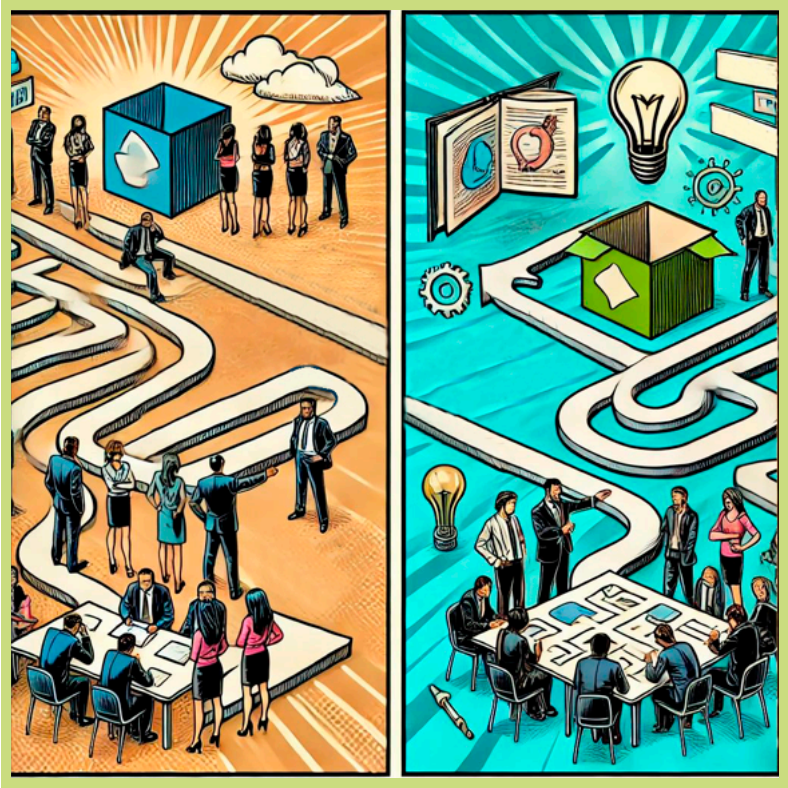
Company vs Industry

Think Big: Encouraging Industry-Wide Critical Thinking

When selecting a business simulation, it is crucial to ensure that the dynamics reflect the key aspects of your industry. However, there is a balance to strike regarding how much the simulation should model the specifics of your company.

Simulations that encompass a range of strategies equip learners with the skills to understand and contribute to corporate strategy. Conversely, focusing on a single strategy may leave participants with limited understanding of and support for the reasons behind that strategy.

A company-specific simulation will describe the known system and outline a prescribed solution based on historic analysis. While this can create organizational alignment, it restricts creative decision-making. As problems evolve, or learners transition to different roles, the applicability of the “predetermined solution” diminishes, and may become a liability.



A company- specific simulation may limit broader understanding: if the simulation misses the mark, participants might blame poor game design rather than gaining insights and self-knowledge. This can lead to the mindset of "I'm a great manager; the game was bad" instead of "I have some things to think about."

A more generalized model, customized to reflect industry dynamics (focusing on cost structure and competition) and essential business aspects (like managing for cash flow and profit), offers greater flexibility. These simulations do not present a 'correct' response–hopefully the simulation allows a team to select from various strategic directions, and the team will succeed (or fail) based on the decisions they make.

This approach does not necessarily align participants' answers with higher management's decisions, but it fosters a better understanding of the issues and reasons behind those decisions. It prepares participants to be more responsive to changing problems and encourages a range of creative responses, enhancing their decision-making skills.

Over-Tailoring Company-Specific Items

Game-style simulations won't completely and accurately model a real-world company - so don't try. And don't try to model company-specific cost structures or clients. Participants who deliver poor results are more likely to blame the simulation than accept responsibility for their decisions.

Key Questions to Ask:

- Is the simulation appropriate for my industry?
- Does it encourage understanding of the strategic options within the industry?

By focusing on industry dynamics rather than specifics of your company, participants gain a deeper understanding of broader issues and management decisions. This prepares them to adapt and respond effectively when problems change, ultimately becoming better decision-makers.

 **AVOID:**	**LOOK FOR:** 
Too Much Focus On Your *Company* *Because*… It can lock people into static thinking and prevent future flexibility.	**A Focus On Your *Industry*** *Because*… It promotes critical thinking and industry-wide understanding.

And A Final Caution About AI

Use AI for Improving Results, Not Replacing Learning and Development

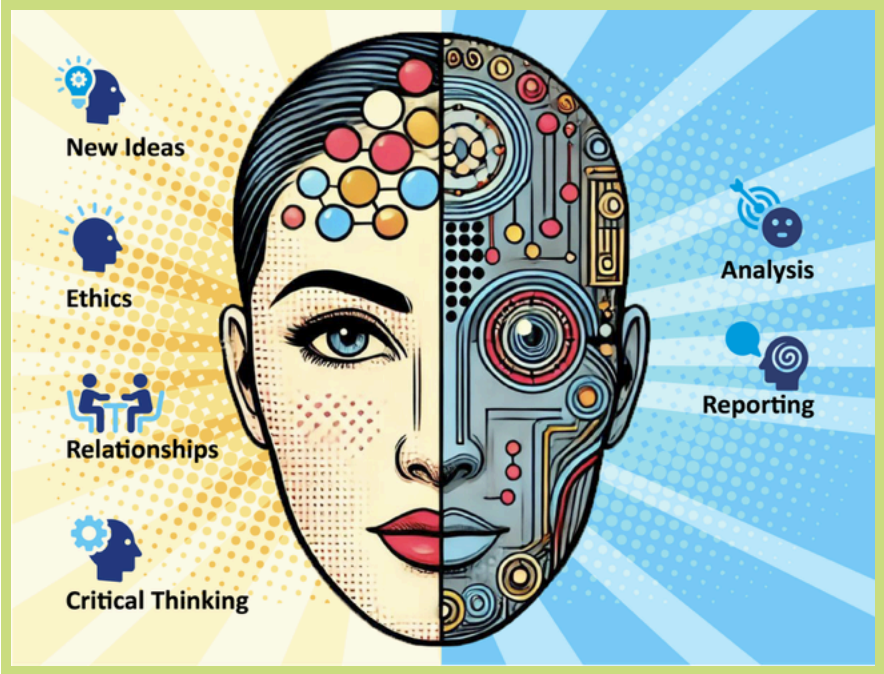
In the rapidly evolving landscape of business training, Artificial Intelligence (AI) is increasingly being integrated into learning environments. While AI offers numerous benefits, it is crucial that employees use it in a way that improves results. It is not a tool to replace critical thinking or learning or skills development.

Why Caution is Necessary:

- **Foundational Skills**: AI tools can automate calculations and generate insights, but they cannot replace the foundational understanding of financial principles necessary for sound decision-making. Reading financial statements, creating budgets, and understanding market dynamics are skills that require human cognition and judgment.
- **Critical Thinking**: Reliance on AI for business finance can lead to a diminished capacity for critical thinking. Understanding the "why" behind financial data is as important as the "what," and this deep understanding comes from human analysis and interpretation.
- **Human Judgment**: Financial decisions often involve nuances and ethical considerations that AI cannot fully comprehend or evaluate. Human judgment is essential for assessing risks, opportunities, and the broader implications of financial decisions.

Key Questions to Ask:

- How does the simulation balance AI integration with human learning?
- Does the AI component enhance understanding, or does it simply provide answers?
- Are participants generating their own results and insights, or is a machine (or AI) doing it for them?
- How does the simulation ensure that foundational financial skills are being developed?



Conclusion: AI has the potential to revolutionize business finance training, **but it's important to choose a business simulation that takes people to understanding 'why?'.**

Since AI is pattern-driven, one of the best uses of AI is to help people see causal patterns, and relationships in the information around them. When choosing a business simulation, look for solutions that use AI to *enhance* rather than *replace* critical thinking. This approach ensures that learners gain the comprehensive knowledge and abilities they need to excel in their careers.

Quantifying Success: Measuring the Impact

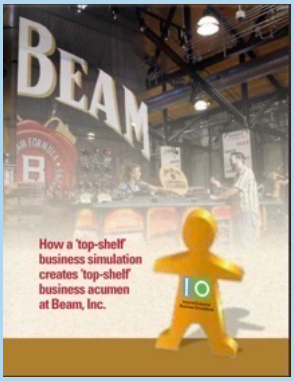
Effective training programs need to drive real, measurable change. The goal is clear: equip your teams with the skills and insights they need to make smarter decisions, drive growth, and contribute to your organization's success.

But how do you know you chose a simulation that will truly make a difference? The answer lies in identifying and measuring the right metrics.

Case Study: Beam Suntory, Inc.

When Beam Suntory, Inc. engaged in our **Finance & Strategy** workshop, they aimed to foster long-term strategic thinking across their teams, rather than just immediate cost savings. Over 500 employees, most of whom were non-finance staff, participated in the 2-day **Commercial Acumen** workshop.

Working with *Percept Research*, we conducted pre- and post-workshop surveys to measure the impact. Six weeks after the workshop, participants reported significant improvements in their business acumen, with noticeable gains in decision-making, alignment with company goals, and understanding of financial health.



One participant's strategic insight alone resulted in an impressive $700,000 annual savings! However, the broader value of the training was evident in the widespread, incremental improvements across the organization, demonstrating that the real power of such simulations often lies in these subtle, yet impactful, changes over time.

Download the study here

This 'Business Savvy' guide is to help you make an informed decision. While the dramatic success stories are compelling, it's important to recognize that the impact of a well-chosen simulation often lies in the cumulative effect of smaller, smarter decisions. These changes may not always come with a price tag, but their value to your organization is undeniable.

Key Metrics for Measuring Workshop Effectiveness

1. **Knowledge Retention and Application**

   Why It Matters: Retention ensures participants remember and can apply what they've learned, leading to improved decision-making.

   How to Measure: Use pre- and post-workshop surveys. Even if direct financial outcomes aren't clear, increased understanding and confidence are valuable indicators.

2. **Participant Engagement and Satisfaction**

   Why It Matters: High engagement and satisfaction suggest the training resonates, making it more effective.

   How to Measure: Collect feedback through surveys and observation. Active participation and positive reflections often lead to better team initiative and improvements.

3. **Behavioral Change**

   Why It Matters: Behavioral change is a key indicator that the training has successfully influenced how participants approach their work.

   How to Measure: Managers or participants can report on changes in problem-solving, collaboration, and decision-making, which build a foundation for long-term success.

4. **Learning Transfer**

   Why It Matters: The ultimate goal is for participants to take what they've learned and apply it in their daily roles, improving processes and outcomes.

   How to Measure: Conduct follow-up surveys or interviews with participants and their managers several weeks after the training. Ask how participants have applied the skills learned in their work and assess observed behavioral changes.

5. **Impact on Business KPIs**

   Why It Matters: Connecting training to business outcomes helps justify the investment and demonstrates the value of the program.

   How to Measure: Monitor relevant business metrics, such as inventory levels, down-time, Days Payable Outstanding (DPO), and Sales revenues. Other metrics (meeting time) might be less obvious–they won't directly translate into profit, but they contribute to the overall health and resilience of the organization.

Of the 5 methods listed, knowledge retention is the easiest to measure, but it is seen as less useful for directly assessing bottom-line impact. It can, however, serve as a trigger, helping participants recall key elements of the workshop. This 'muscle memory' can encourage them to reflect on whether they've integrated those lessons into their daily practices, potentially leading to identifying meaningful changes in behavior and decision-making over time. Knowledge retention can therefore be used as a platform for introducing a more meaningful metric.

A Tailored Approach:

Simplify the Data Collection: Use tools like online surveys, feedback apps, and manager interviews to gather data efficiently without overwhelming the L&D team.

Make Metrics Actionable: Focus on metrics that you can easily report to stakeholders to demonstrate the value of the training program.

Summary

While the $700,000 savings story is impressive, a visible increase in profit is not the only measure of success–other people at Beam report shorter meeting times, easier communication with other departments, and reduced inventory levels. The true value of a business acumen simulation often lies in the less dramatic, but equally important, improvements that happen every day. When your team makes smarter decisions, collaborates more effectively, and approaches challenges with confidence, the benefits are far-reaching.

Choosing the right simulation is about more than just the bottom line—it's about building a stronger, more capable organization from the ground up. Whether your goal is to refine strategic thinking, improve financial literacy, or enhance decision-making, the right simulation can make a profound difference.

Business Acumen Simulations: What Works and What Doesn't

 AVOID:	LOOK FOR: 
Passive or automated learning *Because*… it will limit engagement and reduce retention.	**Truly experiential learning** *Because*… it utilizes hands-on, interactive methods to drive engagement and retention.
Closed decision-making *Because*… it will limit engagement and reduce retention.	**Open decision-making** *Because*… it engages learners: it's a game they control. (Bonus: this develops autonomy and accountability!)
Audio/Visual Learning Only *Because*… it will neglect 2 of the key learning styles.	**Integrated Learning & Playing** *Because*… people learn better when **actions** lead to **results**, and both lead to **analysis and discussion.**
Game design that only focuses on *Competitors* and *Achievers* *Because*… it will only satisfy and engage some of the participants, some of the time.	**Playful Learning design with 1) exploration and 2) collaborative decision-making.** *Because*… it allows participants to play and learn in the mode that best suits their personality and mood.
Modeling The *Wrong* Business Drivers *Because*… unrealistic or irrelevant scenarios do not connect to real-world functions.	**Relevant Real-World Business Drivers** *Because*… people *connect to* scenarios that reflect their real-world roles, and the learning sticks!
Hidden rules (or a 'black box' process) *Because*… they will obscure understanding and destroy trust.	**Transparency** *Because*… participants see how their **everyday actions change the business.**

Business Acumen Simulations: What Works and What Doesn't

 AVOID:	LOOK FOR: 
Fine-Grained Detail *Because*… it overwhelms the learner with unnecessary detail and prevent their developing a 'big picture understanding'.	**Broad-Brush Concepts** *Because*… focusing on fundamental business principles builds the strong foundation needed to support looking at the details.
Silo Thinking *Because*… it will lead to isolated decisions which ignore broader business needs.	**Whole Business Thinking** *Because*… it promotes decision-making to benefit the company.
Partial Financial Statements *Because*… the game will provide an incomplete understanding of business.	**Full Financial Statements** *Because*… the game builds a complete picture of the needs of the business.
Learning That Ends When The Workshop Ends' *Because*… It does not add to growth and development.	**Applied Learning & Life-Long Learning** *Because*… learning going beyond the classroom ensures practical skill application and growth.
A Mix Of Unrelated Solutions *Because*… people going through different programs won't have a common language or understanding of the needs of the business.	**A Scalable Simulation** *Because*… a shared experience and a common language leads to better communication about the needs of the business.
Too Much Focus On Your *Company* *Because*… It can lock people into static thinking and prevent future flexibility.	**A Focus On Your *Industry*** *Because*… It promotes critical thinking and industry-wide understanding.

Your Business Acumen Simulation Checklist

- ☐ **Utilize Experiential Learning:** Focus on hands-on, interactive learning methods. Experiential learning ensures participants actively engage with the material, leading to better retention and practical application.

- ☐ **Embrace Decision-Making Autonomy:** Provide participants with the freedom to make decisions and own the results. This autonomy fosters engagement, accountability, and a deeper understanding of business dynamics.

- ☐ **Use the Full Mix of Learning Styles:** Incorporate kinetic, visual, auditory, and logical elements in simulations. Catering to different learning styles enhances understanding and makes the learning experience more inclusive.

- ☐ **Use the Full Mix of Player Types:** Encourage competition and improvement but also collaboration and exploration, with different modes happening at different times. This approach helps participants engage throughout the workshop.

- ☐ **Ensure Real-World Relevance:** Use simulations that reflect actual business scenarios and decisions participants face in their roles. This relevance makes the training more impactful and applicable.

- ☐ **Foster Transparency:** Ensure participants understand how their decisions impact outcomes. Transparency builds trust in the simulation process and reinforces learning.

- ☐ **Highlight Broad Concepts:** Focus on fundamental business principles before delving into complex details. This approach provides a solid foundation and prepares participants for more advanced topics.

- ☐ **Look at the Big Picture:** Break down silos by demonstrating how different business functions interconnect. Whole business thinking helps participants see the bigger picture and make more informed decisions.

- ☐ **Provide Comprehensive Financial Understanding:** Ensure simulations include complete representations of financial statements. This comprehensive approach helps participants develop critical financial literacy skills.

- ☐ **Promote Lifelong Learning:** Design simulations that encourage ongoing learning and application. Lifelong learning ensures participants continue to grow and apply their skills beyond the initial training.

- ☐ **Maintain Consistency Across Simulation Solutions:** Use a common framework and language across different simulations and different platforms. Consistency facilitates communication and shared understanding among participants from various roles.

- ☐ **Expand Beyond the Business:** Ask participants to analyze the broader industry landscape instead of just focusing on a single business. Understanding industry trends, competitive dynamics, and external factors helps participants gain a well-rounded perspective.

- ☐ **Balance AI Use:** Teach the foundation pieces *without* AI, and make sure people develop critical thinking and other necessary skills. When those are in place, you can introduce AI as a tool for improving results (not replacing those skills).

By focusing on these key elements, organizations can create effective business acumen simulations that engage participants, enhance their skills, and drive organizational success.

Business Acumen for Your Organization

"I want every single person in my organization to understand how the decisions they make every day impact the bottom line. Income|Outcome makes it happen."

— Jason Schweizer, Senior Consultant, Houston Industries Inc.

Income|Outcome™ workshops are designed to scale, meeting diverse audience needs with experiential learning that highlights how decisions impact the bottom line. Using Visual Finance, participants develop a lasting understanding of profitability, cash flow, and working capital, enabling them to interpret financial statements confidently throughout their careers.

Tailored Training Solutions: Workshops vary in complexity and are available in-person and online. The scalable Income|Outcome simulation adapts to different audiences, fostering valuable insights across training experiences.

Learn More: Since 1996, leading brands like Michelin, HPE, and Beam Suntory have trusted us to train their employees. Visit our website, send email or call +1.919.933.6555 to learn more.

About the Author: Eliza Helweg-Larsen is the Lead Designer at Andromeda Simulations International. She co-founded Andromeda Simulations in 1993 and has played a pivotal role in designing the Income|Outcome business simulations. She has over 25 years of experience developing tools that build business acumen, including industry-specific models and the Visual Finance App, which helps users visualize financial data. Eliza's engineering background has informed her focus on creating scalable simulations for diverse industries and large audiences.

References:

Simulations are a proven tool for developing business acumen, offering practical, hands-on learning that enhances decision-making, strategic thinking, and understanding of business dynamics.

1. **Harvard Business Review:** Highlights simulations as effective for upskilling employees, improving decision-making, collaboration, and change management. They address common L&D failures by providing a risk-free environment to practice business skills.. (Harvard Business School).
2. **Emerald Insight:** Stresses the importance of business acumen in leadership development, advocating for simulations as realistic, hands-on tools for navigating complex business environments.(emerald).
3. **Monash University:** Research demonstrates how simulations improve understanding of business concepts and their application in real-world scenarios, enhancing overall business acumen.(emerald).