

The Way Forward—Online Facilitated Business Simulation

In 2011, The Institute of Actuaries of India (IAI*) teamed up with Elgood Effective Learning (Elgood) to provide their students with a remotely facilitated business simulation as part of one of their professional courses. The course runs several times a year and involves students from across India working together in virtual teams to run a virtual business. Facilitation is provided by the Elgood team, based in the UK.**

The Business Awareness Module

The Business Awareness module helps actuaries understand:

- the business environment in which they will be working
- how to tackle business-related problems
- how to equip themselves for lifelong learning and understand their professional responsibilities

The course incorporates the following elements:

- strategic thinking, using problem-solving techniques
- legal principles
- business simulation game, to support the learning objectives of the course

The Business Simulation Game

The business simulation game is an integral part of the course. Elgood already has its business simulation game approved by the UK Institute and Faculty of Actuaries so teaming up with the IAI to facilitate it remotely was a natural progression.

All of the delegates are given a password, then they join a Facebook group to support them through the business simulation process. The simulation game lasts for two consecutive weeks. Within this time, there are four decision periods, each representing a half year for the business. They are all given the same agenda, with the first on a Monday, and results by Tuesday. They are given the next agenda on a Thursday, with the results by Friday.

The delegates take on the role of business directors whose objective is to increase the company's financial performance (measured by Share Price). In each time period, the students are given the current financial and market situation which, along with their chosen strategy, forms the basis for their decision-making.

“Earlier, we just focused on increasing our market share in all regions and sectors without paying much attention to costs associated with it and hence our market share price dropped by more than 20% in first half year. But, videos posted later proved quite helpful in reviewing our strategy.” November 2013

The students are divided into small groups and are responsible for allocating a team co-ordinator, who enters the team's decisions online and circulates the team's results. The team must also decide how to work together to make their decisions using email, phone calls or setting up their own collaborative groups. They have to firstly analyse and assess the current competitive environment, develop a business strategy and finally, implement that strategy. The delegates then have to review their performance against expectations and make adjustments to reflect the new competitive landscape.

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“The business game was a good learning experience. I developed myself as a good and responsible team player. I learnt how important analysing skills are, and how we should compete in the competitive markets.” September 2014

Support from Elgood Effective Learning

Through the Facebook group, the delegates receive their financial updates, competitor information, access to supporting videos and notification of immediate issues requiring debate. Students can also interact with Elgood’s facilitation team, posting relevant questions. Christine Elgood frequently posts links to pertinent articles and useful videos, giving the delegates helpful hints and tips.

“The lessons and materials provided during the decision-making periods were really helpful in formulation of the strategies.” July 2014

When all the teams have posted their decisions (which they always do in a timely manner: impressive for distance learners!), Christine provides them with the financial reports, as well as the current share price of all the teams, and a few other helpful Key Performance Indicators and industry statistics.

“We struggled in the first two rounds but Christine's tips on Facebook were really helpful and we changed our strategy totally to a different dimension. It is the interconnectivity of various issues that is the key and the beauty of this game.” November 2013

Results

In addition to the business simulation game, the students have to take an online exam to gain a pass for the module. Participation within the simulation game provides students with a unique opportunity to develop their business acumen skills by making decisions in a realistic, competitive business environment. They can also assess their own skill levels, particularly with regard to business analysis and team participation, to see where their strengths and weaknesses lie. It has proved to be a very useful exercise and the IAI will continue to work with Elgood for the foreseeable future.

* **The Institute of Actuaries of India** is a body which helps students to qualify as actuaries. Actuaries use financial and statistical techniques to analyse and solve business problems, particularly those involving future financial events and risk management, in areas such as pensions, life and general insurance, investment, enterprise risk management and healthcare.

The IAI has a reciprocal agreement with the Institute and Faculty of Actuaries (IFoA) in the UK whereby if students qualify as actuaries in India, the UK will also recognise their qualifications.

www.actuariesindia.org

** **Elgood Effective Learning** specialises in the design, facilitation and creation of business simulation games, providing effective learning for improved performance.

www.chris-elgood.com