

# 5 Reasons Why Business Simulations Are Great Learning Tools

## 1. RISK FREE LEARNING

One of the very foundations of the 'learning by doing' concept of business games is the acceptance of failures, and the ability of deriving valuable learning from them. This very basic principle is what made Silicon Valley become the unique and striving start-up hub it is today, and it is most valuable skill for students to get a complete hands on before embarking on their journey as working adults. Business management simulations are the safer ways of helping the students first learn how to navigate the landscape of a real company, than losing out all their savings on a badly executed business idea or venture.

One of the key differentiators of business simulation games is that it acts as an excellent tool to practice real world business decision-making skills as everything happens in a risk free simulated learning environment. This encourages the students to try out different strategies, observe the results, monitor market fluctuations, then pivot their direction, all without real-life repercussions.

## 2. MULTIPLAYER ENVIRONMENT

With the massive surge of multiplayer online games, most college students today prefer an environment where they could interact with other players in either a cooperative or competitive fashion. Business Games brings people together in virtual worlds, mirroring the phenomenon of increased internationalization and cross-border cooperation between businesses as well, a need of the hour.

In business simulation games students form the management teams of a virtual company that competes against other companies in the same market for a slice of the consumer pie. Today business simulation games with a fully web-based platform supported by an in-game messaging system, enables these teams from anywhere in the world to improve cross-campus cooperation and create exciting competitions between partner universities.

## 3. INTERACTIVE GAME PLAY

Another major appeal of many games would be their real time feedback on decisions made. This feature just not only makes participants more engaging, but also helps them practice a number of different strategies in a short period of time and discover what works best or better.

Most Business Simulation Games employ a round-based system which gives the students an opportunity to strategize with their teammates before coming to any final decisions, and also enabling the instructors/facilitators to schedule and manage his/her course better. The dynamic aspect is prevalent however in the decision-making areas, where students can immediately see the effect of their choices once they start experimenting with the decisions.

## 4. REALISTIC STORY ARC

Good stories always captivates human brains, in business as well as in games, story driven game plays are very successful in enticing large audiences.

In higher education stories have been encapsulated in case studies, which although take students through a particular segment of a company's life, it happens in a non-interactive format. Business Simulations on the contrary enables the students to further immerse by actually becoming the protagonists of their company's story, and determining its faith through decisions made in a volatile environment. This not only does give students a greater sense of purpose, but also make them think much more carefully about their actions when they don't only exist in theory.

## 5. IN-GAME REWARDS

What would this entire experience be without any satisfying rewards? Just like in any traditional games, business simulations also do reward players in one or more ways, most notably would be the rankings on the leader board, and/or by a market leadership position with a great cumulative total on business profits, shareholder returns, etc.

But the most valuable rewards for students is ultimately help them improve on their business decision making skills, holistic thinking, teamwork, proactive pivoting, and problem solving skills, all of which will be retained substantially longer than by others, less active forms of learning.

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About Author: Is a mentor of an Initiative named Campus Levers started by an alumni group of Indian Institute of Management, Calcutta (IIMC). The initiative is aimed at supporting academic institutes and the student community to understand the real business world with aid of systems and tools that impart business learning in a practical way.

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