

Glo-Bus Simulation

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What is Glo-Bus?

- A management simulation
 - Web-based
- Each group will manage a digital camera manufacturer
- The managers are responsible for:
 - Strategy
 - Specific functions: marketing, HRM, \$, etc.
 - Integrating function-specific decisions to implement the strategy

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Agenda

- Digital cameras: you tell me about them
 - For example, what makes a particular camera succeed in the marketplace?
- The industry
- The decisions you will make
- Logistics of the simulation
 - Groups, the web site, etc.

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The Industry

- Two product segments
 - Entry-level and multi-featured
- Four geographic segments
 - N America, L America, Euro/Africa, Asia/Pac
 - Equal in overall size
 - But your sales are split 40/30/20/10%
 - Hence eight (2x4) segments total
- The industry is reliably predicted to grow over time

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Decisions

- In every round/year, you make decisions about:
 - Product design
 - Marketing
 - Operations (assembly)
 - HRM (labor and compensation)
 - Finance
- For each function/decision area
 - I'll give a quick demo now
 - Your Guide provides details

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Product Design Decisions

- Components and features
 - Megapixels, body, etc.
- R&D spending
- Number of models
- From decisions such as these, Glo-Bus computes a P/Q rating
 - Performance/quality rating is a key buying criterion, esp. in multi-feature segment

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Marketing Decisions

- Most marketing decisions differ between:
 - Product segments
 - Geographic segments
- Price
- Promotional discounts
- Retail channels
 - Chains, online, local camera stores

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Operations Decisions

- Differ by segments
 - Both by product and by geography
- Differ by quarter
 - Q4 is the big quarter for retail
 - Hence Q3 is the big quarter for production
- Specify units to be assembled and shipped
 - You may choose to match assembly to orders

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HRM Decisions

- Compensation
 - Wages, benefits, etc.
- Training
- Hiring of new product assembly teams
- Overtime
- Outsourcing

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Finance Decisions

- Debt
- Equity
 - Can issue or repurchase shares
 - Dividend: can differ by quarter

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Logistics

- Telling the simulation about your decisions
 - As you've just seen, you enter decisions into an Excel spreadsheet
 - Remember to upload them to the web site!
- Site is www.glo-bus.com
 - Simulation expects Internet Explorer
- Registration
 - Pay when you register
 - I'll give you registration codes when we've formed groups

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Processing Decisions

- The simulation will automatically process decisions
- You can see the round deadlines on the syllabus and at the web site
 - I'll inform you of any changes
- We start with two practice rounds
 - After the second of these, the simulation resets to its starting conditions

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Assessment

- Your group's grade depends on:
 - G-B Performance: measures include ROE
 - Presentation in last week of class
 - Communication with shareholders and other stakeholders
 - Annual report, press releases,...
- Your grade depends on:
 - Group grade
 - May be modified by your contribution to group
 - As measured through peer evals, quizzes, reflections,...

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Next Steps

- Skim the Participants Guide
- Form groups
- Register at the web site
- Study the simulation
 - Participants Guide
 - Workshop in class
- Practice rounds
- Support: TAs are first line

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My Two Questions to You

- How should we form groups?
- Do you have any questions for me?

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