

ARE SIMULATIONS BETTER THAN EXPERIENCE?

How can a tailor-made business simulation support company executives in implementing changes and improving profits? Can a company use a business simulation to train the entire organisation to analyse and to take decisions centred on the factors that promote growth and profitability? How can we compare the efficiency of simulations with that of conventional training?

These are questions commonly asked when BTS meets people and corporate bodies. These are valid questions, which we attempt to answer as clearly as possible by referring to the numerous projects we have completed successfully.

To those of us who work with these questions on a daily basis, the answers are clear, but “outsiders” must either have completed a simulation course or choose to trust what we and our customers say and understand the dynamism and power in using a tailor-made business simulation.

McKinsey on business simulations

An article from McKinsey published in 1996 and republished in “The McKinsey Quarterly” in December 2001 describes how tailor-made business simulations can add value to a company and highlights how essential it is that business solutions be tailor-made for specific companies. The title of the article is “Is simulation better than experience?” and the author asks “Can companies take a shortcut to strategic change?” The article states:

”In recent years, simulations have gained popularity as a means of overcoming these barriers to learning. A deep body of theoretical literature asserts the power of simulations to change behavior by giving managers the opportunity to experiment, test their assumptions, and learn from their mistakes in a risk-free environment.”

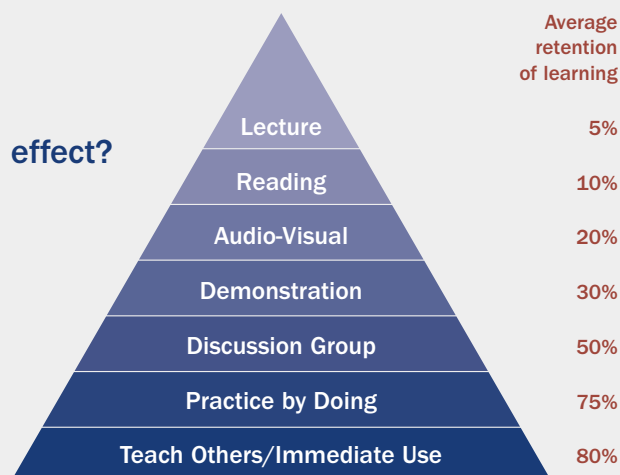
These quotes are taken from “Is simulation better than experience?” by Dory Bertsche, Christopher Crawford and Stephen E. Macadam, published in The McKinsey Quarterly, 1996 Number 1. They are also published on www.mckinseyquarterly.com. Used with permission.

”A simulation may be run on a computer or played out on a board; in either case, its aim is to show participants how effective their decisions really are. In a good simulation, managers will be able both to see the results of their usual behavior and to experiment with the impact of new working practices.”

”A successful simulation will be tailor-made for a specific organization.”

”Above all, simulations must be a challenge. At the end of a successful simulation, participants will not want to stop: they will be keen to continue testing the system, pushing the limits, and improving their performance. When their full attention has been captured in this way, learning will be automatic.”

What type of learning produces the greatest effect?



The Learning Pyramid, taken from “Corporate Universities” by Jeanne Meister