

# **Business simulation, service business management in Budapest**

# Short introductions

- Previous experiences of business simulations?
  - at school, at work or hobbies?
- Some hopes or expectations?

# Learning objectives

- The teams' goal is to manage the operating, market, and financial performance of a service business in a **competitive market with seasonal variations** in demand and economic conditions.
- You and your team will take over as the new management team of Hotel le Bonheur, a business entity providing hospitality services.
  - Using what you have learnt during the previous studies on various business areas

# Structure of the Workshop today

- Getting started, lecture
- (Short video about 5 minutes: OnService simulation)
- Set up teams, about 3-4 students in each team
- (Normally two practice rounds, today one)
- Coaching and rounds of the competition
- (Normally about 6-8 rounds and coaching, today we can see)
- Final results and the summary

# How to Pass the Course, normally

- Participation in compulsory sessions
- Active participation in team decision-making:
  - Teams: decision-making process in every round
  - Personal: decisions at least 50% of the rounds
  - Teacher's UI has activity logs

# How to Pass the Course, normally

- Writing a learning journal:
  - Teamwork: roles, responsibilities, strengths, weaknesses...
  - Strategy → choices and effect on decisions
  - Learning: new understanding
  - Success and failures: analysis and opinions why
- Minutes of management group for each round/one per team
- Final presentation (PowerPoint), about 10-15 minutes per team

# How to learn?

- Throwing some numbers in and seeing if you are lucky? Not good
- Use what you have learnt + what your team members have learnt
- Interaction within the team and working together = the way you learn!
- **Also competition against other teams makes the learning experience more motivating**

# Method of evaluation, for example

- Grade based as followed:
  - on game success 20%
  - Minutes of management group 20%
  - The learning journal 30%, (personal)
  - The final presentation 30%
- **Game winning criteria: cumulative profit over all the rounds played, p.a.**





# Materials to Be Read, can be found inside the simulation / Materials

- Case Description, Hotel business
- Decision making guide
- Market Outlook for each round – read before making decisions!

# Decision making in the simulation

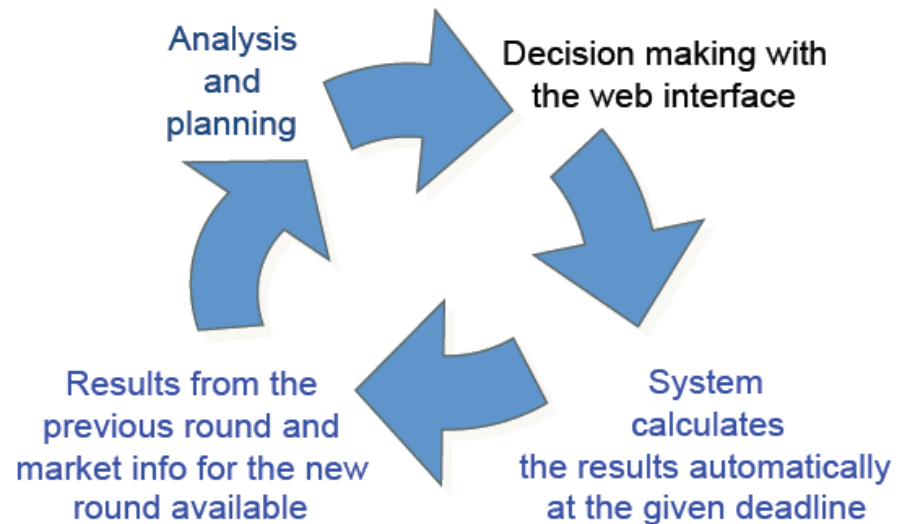
- **Decisions** are entered in the **grey cells**. These will be used in the actual calculation of the results
- **Estimations** are entered in the **blue cells**. These will not be used for the calculation of the results, but they are important because together with the decisions **they form the basis for the budgets**
- **Drop-down menus** are used in some specific options to choose from

# Operations in the normal teaching



After the introduction, the teams familiarize themselves with the decision making process via a practice round. The results of the practice round will not have any influence on the actual game results.

The instructor decides the number of actual decision making rounds (5-12) and decision making follows the cycle on the right.



Note that it is not possible to modify the decisions after the round deadline. If the team has not saved its decisions for a round, the system will automatically use the results of the previous round.

# Business Case – Hotel le Bonheur

# Business Case – Hotel le Bonheur

You and your team will take over as the new management team of Hotel le Bonheur, a business entity providing hospitality services. Its roots date back to the early 20th century. Hotel le Bonheur has a colorful history and more information is available in the Case Description.

Decision making is done separately for **two seasons; summer and winter** according to the seasonality in Hotel le Bonheur's business.

Both seasons are considered to be 6 months long.

**Hotel has currently 50 Rooms.**

Each room has a capacity of 180 nights for a half year period.

# Decision making areas:

For the ongoing period your Team gives a 'walk-in' room rate at which hotel customers are able to book rooms. The following factors will determine the amount of nights sold.

- Room rate, current season + rooms to sell next and next season
- Marketing communications / marketing (euros)
- Personnel sufficiency (customers/employee -ratio)
- Personnel quality (competence)
- Employees' monthly salaries
- Condition of facilities (influenced by maintenance)

Note: All factors are compared to the competitors' equivalent factors. This means that the amount of nights sold is uncertain because it depends on the competitors' decisions and actions.



# At a Glance: Cesim OnService - SME Service Business Simulation

Video about 5 minutes:

<https://www.youtube.com/watch?list=PL-ooMCjEljePx7CBJ3y8UUdG5VCCWnKBJ&v=zI8tWvpw8iQ#t=36Housekeeping>

Video about 10 minutes:

<https://www.youtube.com/watch?v=vqihOvXtcE8&feature=c4-overview-vl&list=PL6D60550349008DC3>



# **REGISTRATION TO THE SIMULATION**



# Next: Creating our teams / Registration to the simulation

Normally 3-4 members in each Team

**After this each team gives its own team name**

**Log in directly (confirmed by e-mail)**


**<http://sim.cesim.com/register/ObudaCourse>**

**Or open the link:**

**[www.cesim.com](http://www.cesim.com)**

**Course name: Budapest Service Business Simulation**

**Course code: **ObudaCourse****



I hear and I forget  
I see and I remember  
I do and I understand

Kiitos / Thank you