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# What is a Business Simulation?



[www.SimulationStudios.com](http://www.SimulationStudios.com)  
[ContactUs@SimulationStudios.com](mailto:ContactUs@SimulationStudios.com)  
888-908-SIMS(7467)

# What is a Business Simulation?

A business simulation is a type of simulation that is commonly used as part of a hands-on interactive learning experience that empowers training participants to practice and apply corporate training and development content. A business simulation makes complex employee development content easy to learn and apply.

Business simulations for training are most commonly used within leadership development and/or strategic acceleration. In almost all cases, there is a very thin or invisible line between business simulations that are used within leadership development and strategic acceleration.

This is because most strategic change starts at the leadership level. As a result, strategic change initiatives often utilize business simulations within leadership development. These leadership development simulations are used to teach very complicated topics such as leadership behavior, strategic thinking, business acumen, cross functional collaboration, innovative thinking, and a lot more. Using basic theoretical teaching methods requires too much time. Using business simulations within leadership development programs is often preferred due to accelerated knowledge retention and application. Business training simulations have grown significantly in popularity over the past few year.



# Why Use a Business Simulation?

Business simulations are most commonly utilized for three reasons:



To increase engagement and learning retention with corporate training or employee development.



To apply highly complex and theoretical topics in an effort to increase corporate training learning retention and understanding.



To increase the speed and effectiveness of corporate change initiatives. This is often referred to as strategy acceleration.

Business simulation are most commonly used within corporate training and employee development initiatives. In many instances, these tools are used within corporate leadership development programs in an effort to increase learning, learning retention, and accelerate corporate change initiatives (strategy acceleration).

The highly distilled summary is that active learning is far better than passive learning. Putting all the fancy research aside, most naturally accept that corporate training participants intuitively understand and agree with this: adults learn better by doing (trial and error).

A business simulation and puts this fact into action with exceptionally low risk. Utilizing a leadership development business simulation is an exceptionally effective learning tool. With the exception of either teaching the subject matter yourself or learning through real-life trial and error, a business simulation is one of the most effective ways to learn new subject matter. The ultimate goal is to enable learners to immediately start using the subject matter being introduced. By using the subject matter in a safe and lifelike situation (i.e., within a business simulations), people begin to change their behavior naturally. This is why mission-critical disciplines such as military or aviation industries rely so heavily on simulations. Business simulations within leadership development are the fastest and most effective means to safely apply complex training theory and rapidly transform it into natural behavior.

## What are the types of business simulations?

Business Simulations for use within leadership development or other corporate training situations come in many different formats. But in general, there are two most commonly used types of business simulations.

**01** / Strategic Business Simulations →

**02** / Branching Story Business Simulations →

# Strategic Corporate Business Simulations

These business training simulations are most often used within leadership development corporate training programs and/or strategic alignment initiatives. Leadership development business simulations incorporate complicated training topics such as optimal leadership behavior, strategy development, strategy execution, strategic thinking, financial acumen, business acumen, cross functional collaboration, innovative thinking, and more. Business simulations are most often used due to their ability to enable today's digital audience to learn, try, reflect, and apply. Corporate training simulations are an engaging tool to adds great benefits to existing corporate leadership development programs. These corporate learning tools are helping bridge the growing leadership gap. Business strategy simulations are engaging that should align very closely with the corporate training goals and objectives.

## TIP

Keep your leadership development business simulations small and focused. Large multi-day simulations should be reserved for very specific cases. In most cases, a very focused business training simulation will provide the greatest benefits with the lowest associated time and expense. Strategic business training simulations are the most widely requested solutions and most popular with participants. This is largely due to their highly engaging learning methods and extreme level of job applicability. Using a strategic business simulation within leadership development as become far more normal and some of the top companies globally use these solutions whenever possible.

## Advantages of Strategic Business Simulations:

**1**

Extremely applicable leadership development or other training that applies leadership, strategic thinking, business acumen, cross functional collaboration, and more.

**2**

Highly engaging with extremely high levels of corporate learning retention.

**3**

Highly applicable corporate training with high connection to business outcomes.

## Disadvantages of Strategic Business Simulations:

**1**

Can get complicated quickly (but this is avoidable if you're careful)

**2**

Should requires facilitators have actual real-world leadership experience

**3**

Requires some forethought and implementation planning

# Branching Story Business Simulations

Do you remember reading those adventure storybooks in which you had to choose from several options at the end of each chapter? Each choice would send you in a different direction, presenting its own challenges. This is basically a branching story business simulation. The general idea is that people learn by doing. People try, fail, learn, and try again. Branching story business training simulations are an exceptionally inexpensive way to achieve outcome-oriented learning in an entertaining way. Team-based branching stories are recommended where possible, because participants will have to utilize teamwork skills as well as logic. Business simulations that use branching story methods can be created using simple pen and paper. These do not need to be computer based and are exceptional for teambuilding. Additionally, these business simulations are very adept within scenario or situational based corporate training. Branching story training simulations can also be created in digital tools such as a slide development application within popular office solutions.

## TIP

Provide three rounds of a branching story simulations and pause to gain insights and reflections. After the pause, start the training simulation up again for another three rounds and repeat. This reinforces the do, learn, and apply method mentioned in the strategic business simulations above.



## Advantages of using branching story business training simulation:

**1**

Branching story simulations are inexpensive and easy to create and implement.

**2**

Branching story business training simulations engage people quickly and are an excellent way to generate excitement within your training program.

## Disadvantages of using branching story business training simulation:

**1**

Branching story simulations aren't strategic and tend to work better for behavioral training goals.

**2**

People can usually "game" these business training simulations because training participants figure out what outcome the training course is looking for.



# Where Are Business Simulations Most Commonly Used?

The most commonly used programs business training simulations are used within corporate training and development are:



Leadership Development



Strategic Alignment/Strategic Acceleration



Corporate Sales Training

## Business Simulations for Use Within Leadership Development

This is the most popular place corporate training and development departments utilize corporate business simulations. As mentioned above in ‘Strategic Business Simulations’, this is due to the contemporary complexity that goes into modern corporate leadership development programs. Leadership development simulations are used to teach effective leadership behavior, strategic thinking, business acumen, cross functional collaboration, and more. For more information on utilizing a business simulation for leadership development, see ‘Strategic Business Simulations’ above.

# Business Simulations for Use for Strategic Acceleration and Alignment

Strategic Acceleration speeds up your company's ability to execute its strategy (usually within leadership development training). This is achieved by utilizing state-of-the-art business simulations combined with in-person facilitated workshops. The results are a company's ability to be nimbler and more competitive within its given marketplace. This is almost entirely achieved by sharing corporate knowledge that creates strategic alignment within the organization. Business simulations within leadership development achieves this very effectively. By aligning management with the corporate strategy, employees will understand what, why, and how of your corporate direction. Combine technology and learning utilizing a custom business simulation of your company and industry, management experiences a 1-2 day workshop. During the workshop, managers will Live a day and your CEO® in order to naturally learn what, why, and how of change.



# Business Simulations for Sales Training

These use cases are self-explanatory: Business Training simulations that are designed to enable training and development participants to practice and refine a new corporate sales method. Sales training business simulations are highly engaging and enable the sales force to experience the advantages of the new sales strategy first-hand in an engaging manner that reduces risk to the organization.

## Business Simulation Tips, Tricks, and Getting Started Guide

Getting started using business simulations can be daunting and intimidating. Taken directly from a Forbes Article titled, “Business Simulations Can Be A Powerful Tool For Leadership Development — But Proceed With Caution”, here are the top tips to getting started:



### **Start with a small business simulation**

The single most important pearl of wisdom is to start small. The business training simulation should be a small portion of your budget and program time. Experiment with something that is ready to go or requires minimal tailoring. You can take on something larger after you’ve gained experience and have seen where expansion is justified.



**Practice extreme focus**

The importance of staying focused with a business simulation is essential. Leadership-development managers often call with a laundry list of requirements from the business simulation. It is critical that you sit down with a piece of paper and write down the goals and objectives of your leadership-development program. The simulation needs to align behind these learning objectives and not stray from the path. This will help your training participants better align with the training goals and allow them to apply the content more effectively in their day-to-day work. Avoid expansion or scope creep.



**Consider all business simulation modes**

When people think about business simulations, they visualize amazing digital tools. The computer-based solutions are exciting, and they sizzle. This is great and can sometimes be important (did someone say buy-in?). But don't discount the effectiveness of simple paper-based solutions.



**Stay in charge of your business simulation**

Most companies contract an outside firm to create more complex business simulations for leadership development. These are complicated tools, and it takes a lot of time to create simulations that are effective. But remember, you are in charge. When you work with a firm, don't get persuaded to go out of your comfort zone. Remember, these firms are working for you and you are the boss.



**Be comfortable with your business simulation provider**

This may seem like common sense, but it's surprising how often we clean up problematic business simulation programs because a company chose a provider that was "the best in the industry," but that they felt slightly bullied by. Ensure you are comfortable with your business simulation partner.

# Summary Overview of Business Simulations for Leadership Development and Other Corporate Training Initiatives

Business simulations for leadership development are incredibly effective and are more affordable than ever. However, it's important to stay absolutely focused on the goals of the simulation and your training program. Say no to scope creep and ensure you are comfortable with the solution. In the end, the leadership-development simulation is just a part of your overall development program. It should act accordingly. Always stay in charge and ensure you are comfortable with your team. Finally, start small and grow into the larger solution you might crave today. Employing these simple tips will help ensure you are set up for success.



# Resources to Learn More About Using a Business Simulation

Here are some resources to help you learn more about using a business simulation within corporate training and employee development.

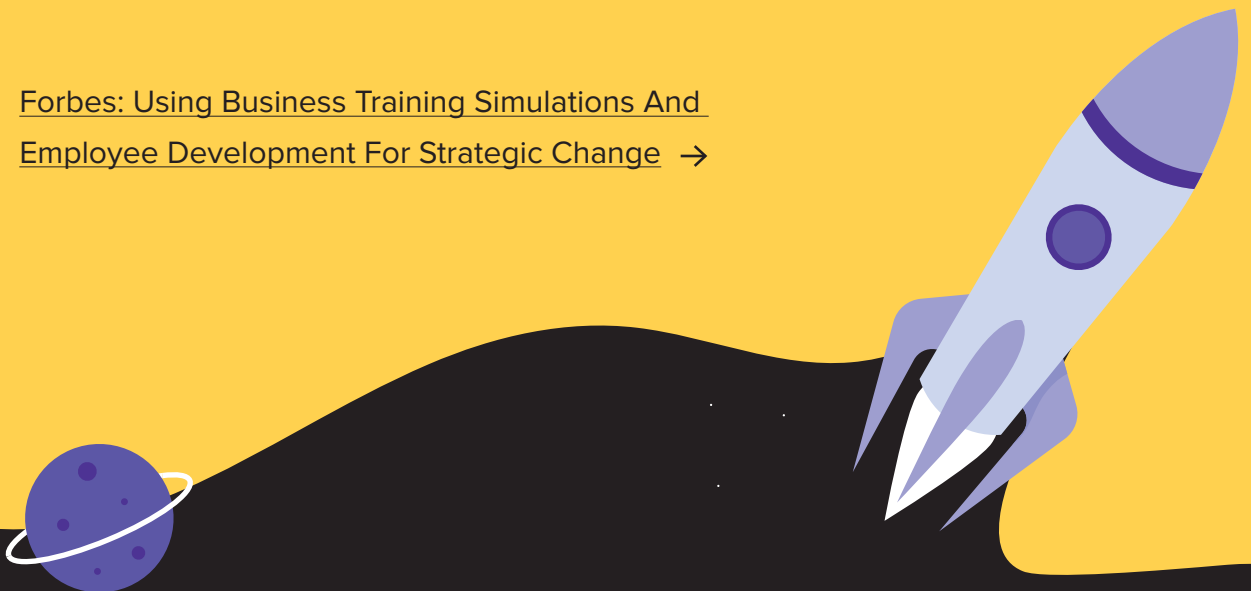
**01** [Forbes: Business Simulations Can Be A Powerful Tool For Leadership Development — But Proceed With Caution](#) →

**02** [Training Industry: How to Effectively Use Business Training Simulations in Leadership Development](#) →

**03** [Forbes: What Are Business Simulations, And How Can Companies Utilize Them Effectively?](#) →

**04** [Training Industry: How To Effectively Use Business Training Simulations](#) →

**05** [Forbes: Using Business Training Simulations And Employee Development For Strategic Change](#) →





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