

Welcome to StratSim Marketing!



Le de TOUR FRANCE



Le
de TOU
StratSim



Stratsim Marketing is used at...



Industry Users...



Voices from the past...

Quick note, you did an amazing job last week on our stratsim! I have told everyone that I work with what an amazing experience it was to be apart of the statsim! Throughout the day I keep quoting my experience that I learned last week and likening it to our current challenges we face as a company. Hands down, the best experience I have had at BYU so far- thank you!

Thanks,

Glenn,
I am working on Business Development right now for Chrysler and wishing I paid more attention in strat sim!
FYI, you probably already know this, but I am reading a slide deck right now for a new product launch that looks very very (spookily) similar to some reports that strat sim produces. I can't remember what the strat sim reports were called, but it is fun to see how close the academia was to reality!
Have a great summer.

Hi Glenn,

I hope that your summer has gone well and you are ready for the new school year!

I have settled into my role at Ford in their Product Planning and Strategy group. Recently I was thinking through my experiences here and how they relate to StratSim. It is amazing how many aspects of StratSim I have encountered at work. Identifying key customers, managing development cadence, and balancing investment and profits, have all been major discussions that I have seen here. One thing that could add an additional level of reality to StratSim would be including government regulations. For the auto industry, CO2 regulations are one of the primary influences/drivers of the marketing strategy. Many of the regulations force us to violate the principles of meeting customer demands in order to stay compliant to the government. This is a challenging and interesting dilemma that is demanding innovative thinking. It certainly applies to other industries as well, such as privacy regulations in digital marketing and laws surrounding marketing to children in CPG. I hope that this note is helpful.

Overall things are going well, and I am enjoying post-MBA life. Have a great Friday!

Thank you,

Glenn,

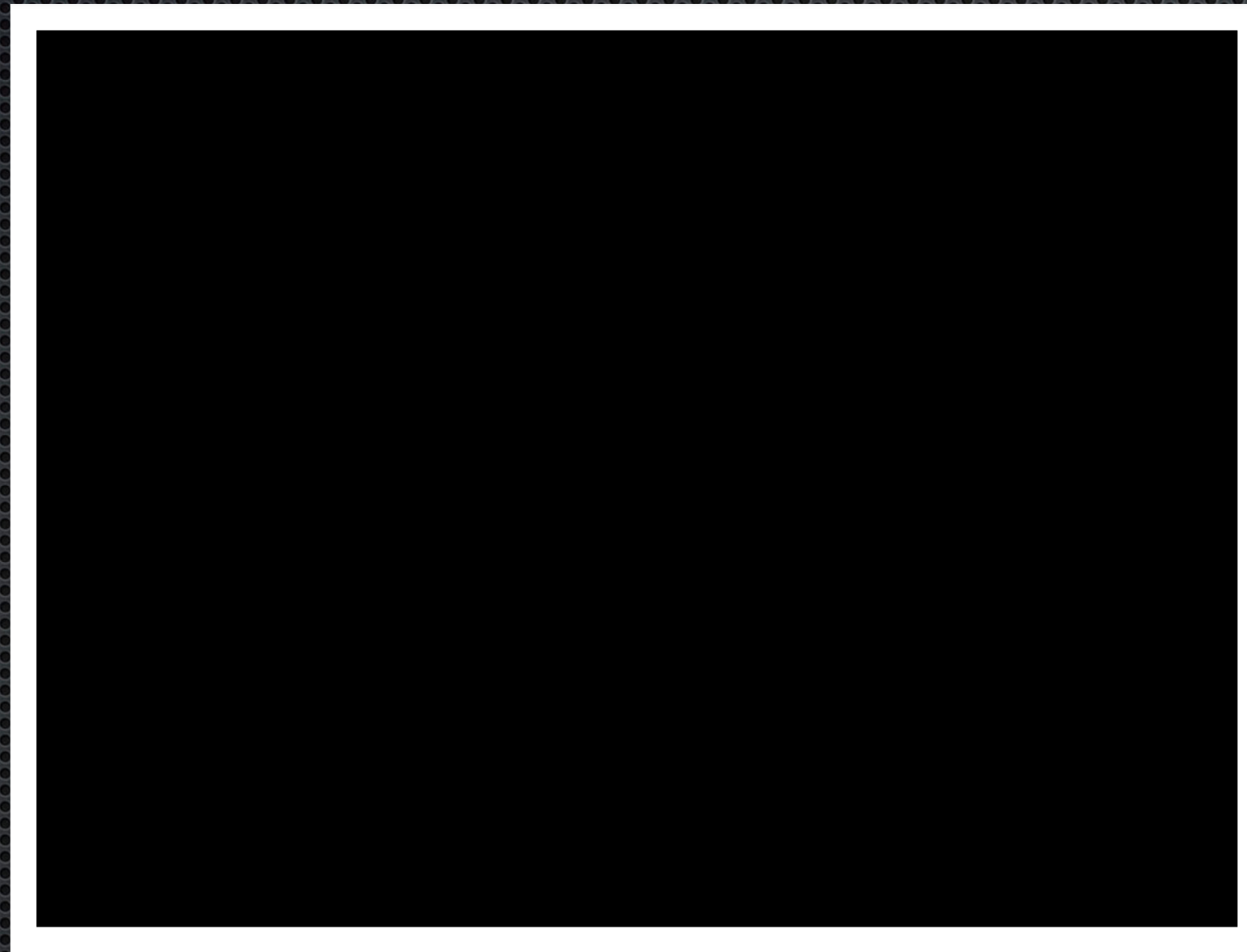
Just wanted to give you a quick shout out for your marketing strategies class. Not only did I learn a lot about how crazy Donald Trump could be as a president, but that ridiculous car game also taught me a lot about how to compete in the market.

That has helped me so much at Qualtrics. I'm constantly thinking of how our company is different or better than others and trying to present that to the individuals we sell to. Who knew the DeTonka would pay off?

Thanks again. Hope you're having a great summer! If students ever want to know more about Qualtrics, they can email me for more info and I'm happy to help.

Best,

Congrats! You now run an automobile
company!



You can...
Add new features...



Upgrade existing vehicles...



Introduce new cars...



Discontinue old vehicles...



Co-brand your vehicles...



Go after new segments...



Identify unmet consumer



What questions do you have?

Quiz: How can I reduce variable costs per vehicle?

(In order of most effective to least)

1. Run a *Cost Reduction Upgrade*

The screenshot displays the StratSimMarketing application interface. At the top, there are navigation menus for 'Introduction', 'Company', 'Market', 'Competition', 'Tools', and 'Decisions'. The current view is 'Decisions / Product Development'. Below this, there are two identical panels, each with a 'Showroom' button and a 'Stock Price: \$58.31' indicator. The main content area is titled 'Decisions / Product Development' and includes a 'Save' button and an 'Undo' button. A table titled 'Projects' lists various development projects with columns for 'Dev. Center Project', 'Class', 'Size', 'HP', 'Interior', 'Styling', 'Safety', 'Quality', 'Base Cost*', and 'Current Expense (mill.)'. The first project listed is 'Beaut' (Cost Reduction Launching Now) with a current expense of \$184 million. Below the table, there are dropdown menus for 'Vehicle' and 'Project Type', and a 'Create Project' button. A checkbox option is also present: 'Construct a new center for \$630 Million'. At the bottom, there is a 'Total Expense:' section showing '\$184' and a footnote: '* Base cost only; use the Pro-Forma for a projection of the unit cost when you launch the upgrade.' Below this, there is a 'Concepts' section with a table header including 'Name / Class', 'Size', 'HP', 'Interior', 'Styling', 'Safety', 'Quality', '*Est. Base Cost', 'Devel. Cost (mill.)', and 'Devel. Time'. An 'Add a New Concept' button is located at the bottom left of the Concepts section.

Dev. Center Project	Class	Size	HP	Interior	Styling	Safety	Quality	Base Cost*	Current Expense (mill.)
1 Beaut Cost Reduction Launching Now	Luxury	62	240	2	4	2	2	\$23,662 \$23,143	\$184

Total Expense: \$184

* Base cost only; use the Pro-Forma for a projection of the unit cost when you launch the upgrade.

Quiz: How can I reduce variable costs per vehicle?

(In order of most effective to least)

1. Run a *Cost Reduction Upgrade*
2. Increase Firm technology c

The screenshot shows the StratSimMarketing software interface. At the top, there's a navigation bar with 'StratSimMarketing' on the left and 'Past', 'Start', 'Year 1', and a notification icon on the right. Below this is a secondary navigation bar with 'Introduction', 'Company', 'Market', 'Competition', 'Tools', and 'Decisions'. The 'Decisions' section is active, and a 'Showroom' button is visible. The main content area is titled 'Decisions / Technology' and contains a table with the following data:

Technology	Interior	Styling	Safety	Quality	Total
Maximum	10	11	10	11	
Firm Maximum	7	8	5	8	
Cost to Increase by 1 (mill.)	\$287	\$392	\$399	\$441	\$1,518
Est. cost savings of increase (mill.)	\$3	\$3	\$4	\$2	\$12
Increase Attribute:	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
Curr. Expenditure (mill.)	\$0	\$0	\$0	\$0	\$0

Below the table, there is a note: 'Note: Investing in technology does not automatically increase the specifications of your vehicles.'

Quiz: How can I reduce variable costs per vehicle?

(In order of most effective to least effective)

1. Run a *Cost Reduction* Upgrade on the Vehicle
2. Increase Firm technology capabilities
3. Change production levels incurring retooling charges
4. Increase vehicle production levels finding economies of scale

What is a Decision?

Everything on the **Decisions** menu

The screenshot shows the StratSimMarketing web application. The browser address bar displays `app5.interpretive.com/ss7f22/index.php`. The application header includes the logo "StratSimMarketing", navigation tabs for "Past", "Start", and "Year 1", and a "Stock Price: \$58.31" indicator. A main navigation bar contains "Introduction", "Company", "Market", "Competition", "Tools", and "Decisions". The "Decisions" menu is open, listing options: Technology, Product Development, Consumer Marketing, B2B Marketing, Distribution, Manufacturing, Financing, Special Decisions, Decision Summary, Timeline, Pro-Forma, and Decision Rationale. The "Technology" decision page is active, showing a table with columns for "Interior", "Safety", "Quality", and "Total". The table contains numerical and monetary values for various metrics like "Maximum", "Firm Maximum", "Cost to Increase by 1 (mill.)", "Est. cost savings of increase (mill.)", "Curr. Expenditure (mill.)", and "Increase Attribute". A note at the bottom states: "Note: Investing in technology does not automatically increase the...".

	Interior	Safety	Quality	Total
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Firm Maximum	7	5	8	
Cost to Increase by 1 (mill.)	\$287	\$399	\$441	\$1,518
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Increase Attribute:	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
Curr. Expenditure (mill.)	\$0	\$0	\$0	\$0



StratSim Marketing Intro

15 Seconds Per Question

Win up to 1,000 points per answer

How many decision periods does a NEW VEHICLE for an EXISTING CLASS tie up a development center?

How many decision periods does a NEW VEHICLE for an EXISTING CLASS tie up a development center?

0 decision periods

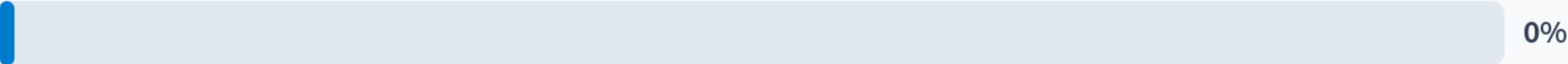
1 decision period

2 decision periods

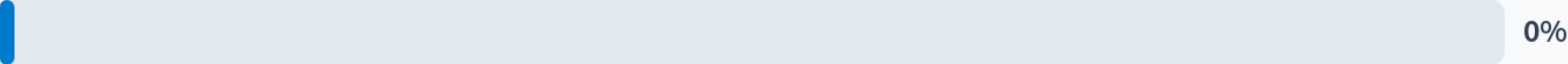
3 decision periods

How many decision periods does a NEW VEHICLE for an EXISTING CLASS tie up a development center?

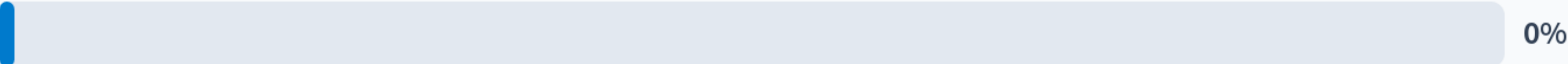
0 decision periods



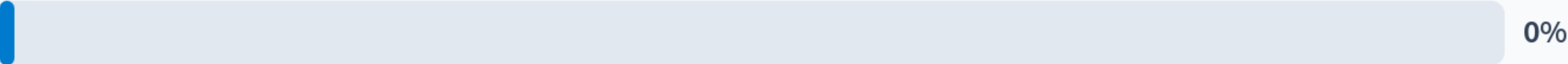
1 decision period



2 decision periods



3 decision periods



Leaderboard

Once you begin development of a new vehicle for a new class, you cannot modify it.

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True

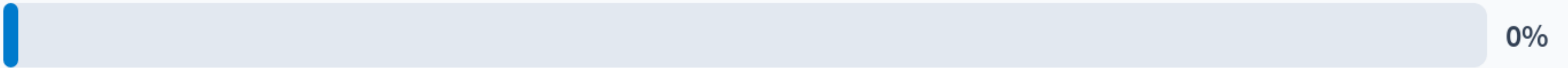
False

Once you begin development of a new vehicle for a new class, you cannot modify it.

True



False



Leaderboard

How many B2B contracts are available for sports cars?

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0

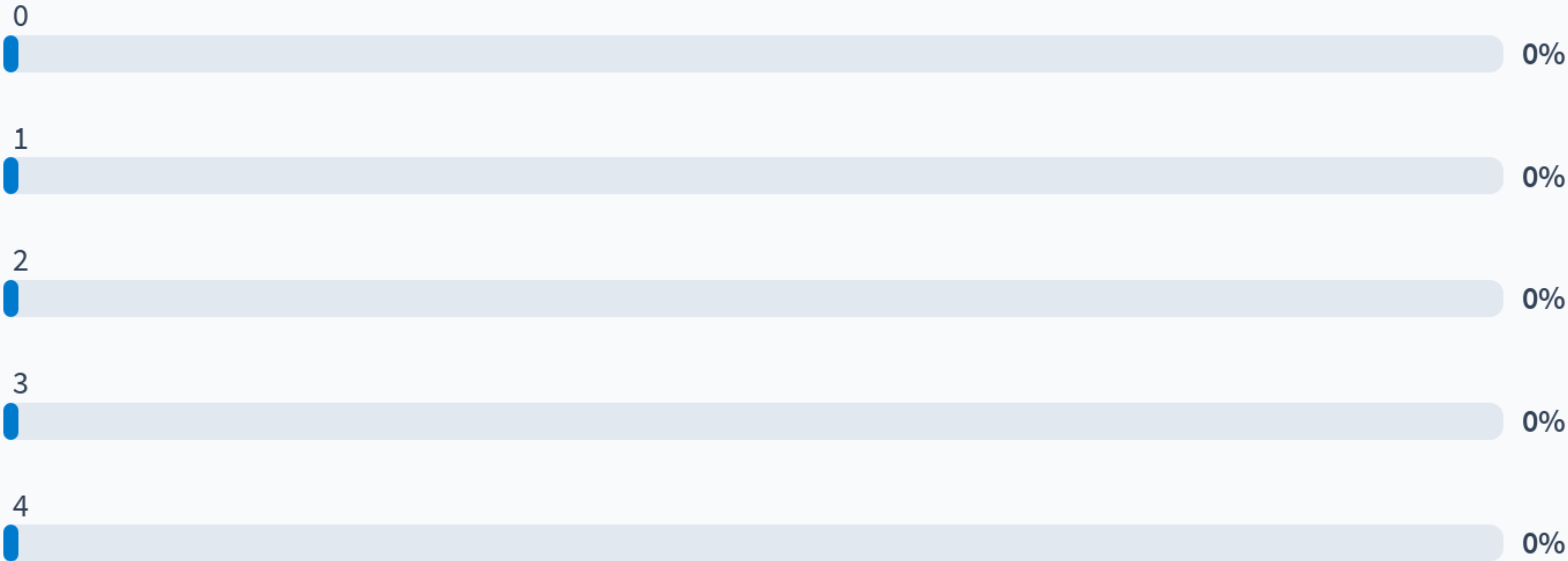
1

2

3

4

How many B2B contracts are available for sports cars?



Leaderboard

Your grade for the StratSim portion of StratSim is primarily based on where your team places among the 5 teams competing in your industry.

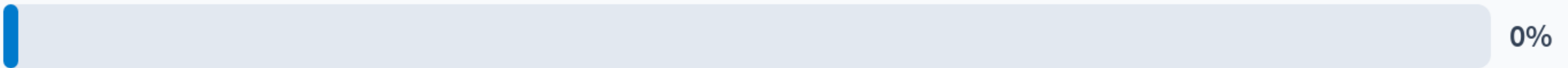
Your grade for the StratSim portion of StratSim is primarily based on where your team places among the 5 teams competing in your industry.

True

False

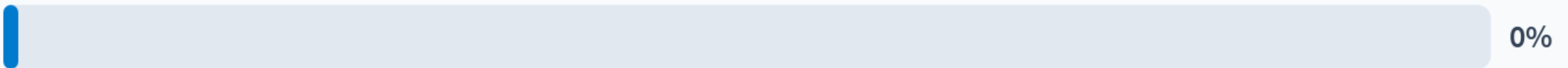
Your grade for the StratSim portion of StratSim is primarily based on where your team places among the 5 teams competing in your industry.

True



0%

False



0%

Leaderboard

Quiz: True or False: Your grade for the StratSim is primarily based on where your team places among the 5 teams competing in your industry.

- ✦ False
 - 40% Performance
 - 60% Final Presentation

Relative performance in StratSim is measured by cumulative net income across all decisions in the game and tiebreakers are determined based on unit market share.

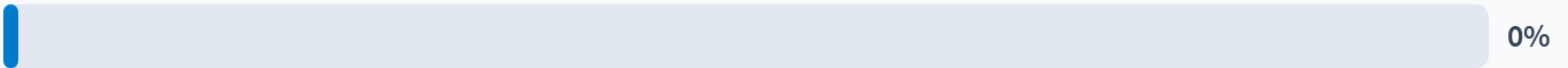
Relative performance in StratSim is measured by cumulative net income across all decisions in the game and tiebreakers are determined based on unit market share.

True

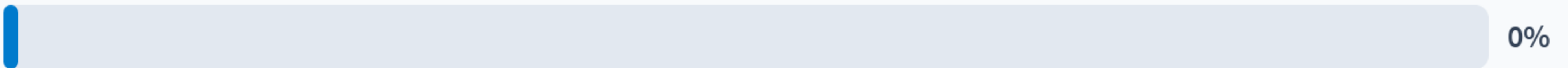
False

Relative performance in StratSim is measured by cumulative net income across all decisions in the game and tiebreakers are determined based on unit market share.

True



False



Quiz: True or False: Relative performance in StratSim is measured by cumulative net income across all decisions in the game and tiebreakers are determined based on unit market share.

✘ False

Components of Evaluation

You will be evaluated on your team's performance in StratSim Marketing, a summary presentation of learning from the experience, and a peer evaluation of your contribution to the team. Forty percent of your grade will be based on your performance at the end of the game (what place you come in). This will be determined by how much cumulative net income you earn over the years simulated in the game and how much total shareholder return (which takes into consideration both the change in stock price and any dividends paid over the course of the simulation). Primarily this evaluation is based on cumulative net income and stockholder return is used to break close ties (within +/- \$100 - \$200 Million) in CNI.

Leaderboard

At the time of the launch of a minor upgrade, inventory on an existing vehicle is immediately sold off at a price which is less than the unit manufacturing cost.

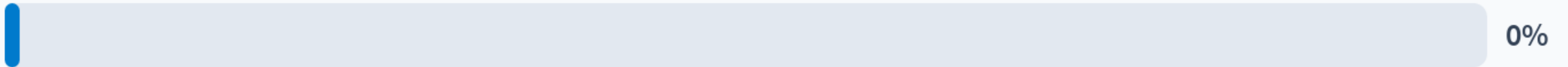
At the time of the launch of a minor upgrade, inventory on an existing vehicle is immediately sold off at a price which is less than the unit manufacturing cost.

True

False

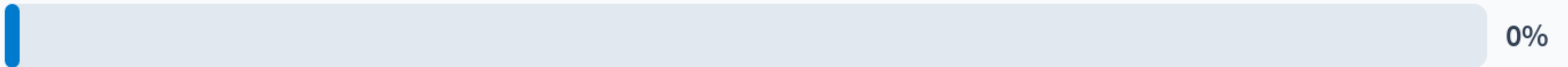
At the time of the launch of a minor upgrade, inventory on an existing vehicle is immediately sold off at a price which is less than the unit manufacturing cost.

True



0%

False



0%

Leaderboard

**1st place teams get 100 of 100 possible performance points
and last place teams (5th place) get 50 of 100 possible
performance points.**

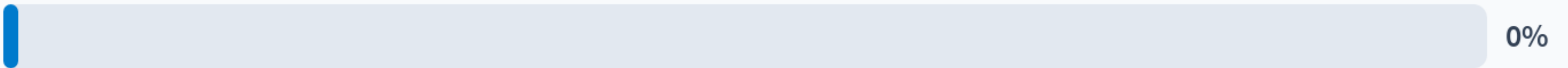
1st place teams get 100 of 100 possible performance points and last place teams (5th place) get 50 of 100 possible performance points.

True

False

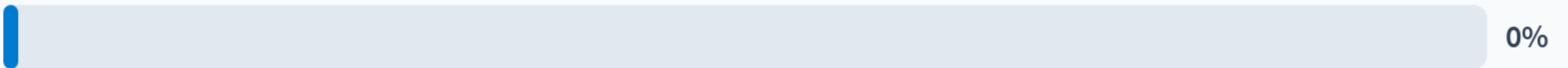
1st place teams get 100 of 100 possible performance points and last place teams (5th place) get 50 of 100 possible performance points.

True



0%

False



0%

Quiz: True or False: 1st place teams get 100 of 100 possible performance points and last place teams (5th place) get 50 of 100 possible performance points.

✘ False

Performance (40%)

First place teams:	100 Performance Points
Second Place teams:	93 Performance Points
Third Place Teams:	90 Performance Points
Fourth Place Teams:	87 Performance Points
Fifth Place Teams:	85 Performance Points

Leaderboard

You cannot produce more vehicles in a year than your total firm capacity.

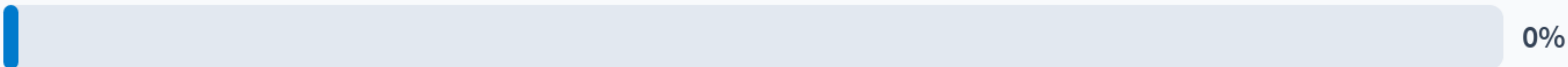
You cannot produce more vehicles in a year than your total firm capacity.

True

False

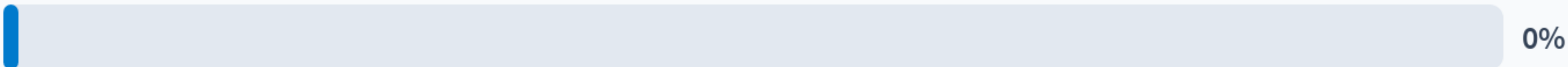
You cannot produce more vehicles in a year than your total firm capacity.

True



0%

False



0%

Leaderboard

There are no vehicles introduced yet in the AEV (Alternative Energy Vehicle) class.

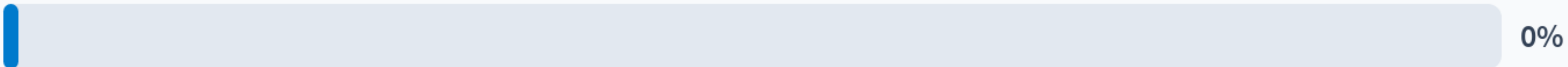
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True

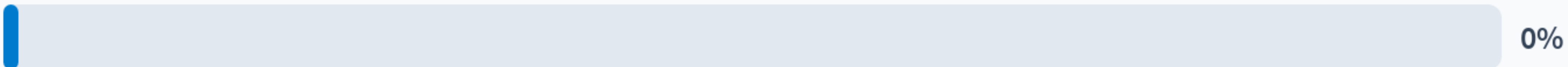
False

There are no vehicles introduced yet in the AEV (Alternative Energy Vehicle) class.

True



False



Leaderboard

Investing in firm technology capabilities automatically improves your vehicle characteristics.

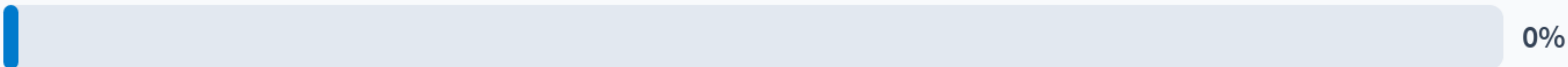
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True

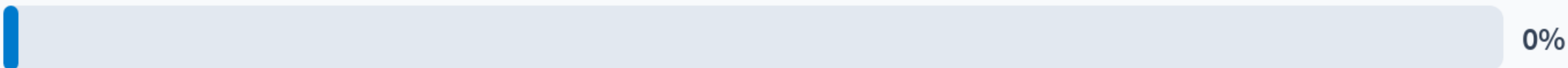
False

Investing in firm technology capabilities automatically improves your vehicle characteristics.

True



False



Leaderboard

You cannot change your dashboard.

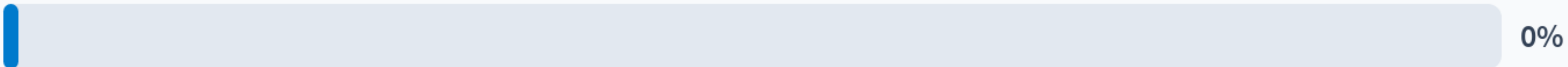
You cannot change your dashboard.

True

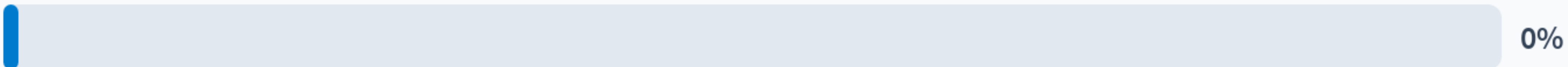
False

You cannot change your dashboard.

True



False



Quiz: True or False: You cannot change your dashboard.

❌ False

The screenshot shows the StratSimMarketing interface. At the top, there's a navigation bar with 'StratSimMarketing' on the left, and 'Past', 'Start', 'Year 1', and a stock price of '\$58.31' on the right. Below this is a menu with 'Introduction', 'Company', 'Market', 'Competition', 'Tools', and 'Decisions'. The main content area is titled 'Company / Dashboard' and includes a 'Showroom' button. A 'Dashboard Measure Configuration' dialog box is open, displaying a list of measures: 1. Net Income, 2. Cumulative Net Income, 3. Stock Price, 4. Total Shareholder Return, 5. Revenue, 6. Cash, 7. Earnings per Share, 8. Firm Preference, 9. Days Inventory, and 10. Return on Sales. Each measure has a three-dot menu icon, an up/down arrow, and a trash icon. The dialog also has an 'Add' button, an 'Empty List' button, a 'Reset' button, and a 'Save' button. A note at the bottom of the dialog states, 'You can have a maximum of 100 measures.' To the right of the dialog, there are sections for 'Industry News' and 'Special Decisions'. The 'Industry News' section contains four bullet points about car sales, Firm D's development center, market share, and stock price. The 'Special Decisions' section contains two bullet points about distribution management challenges and a new incident with AEV Partner.

Leaderboard

If you don't have enough cash to fund all of your decisions, you will automatically be given enough cash necessary to continue operations through a short-term loan or revolving line of credit.

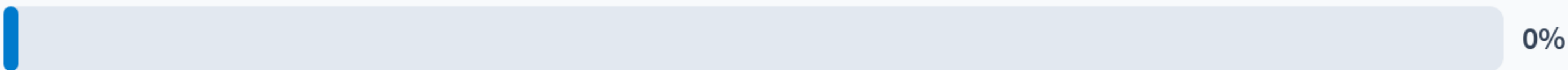
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True

False

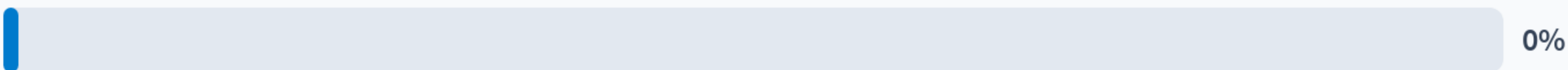
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True



0%

False



0%

Quiz: True or False: If you don't have enough cash to fund all of your decisions, you will automatically be given enough cash necessary to continue operations through a short-term loan or revolving line of credit.

▪ True

StratSim firms must maintain a minimum amount of cash on hand to sustain operations, about 1% of revenue. If there are not enough funds available, a loan is automatically issued from a revolving line of credit to make up the difference, adding to short-term debt on the balance sheet.

—StratSim Manual p. 23

Leaderboard

Can you export tables directly into Excel and download images of graphs and charts?

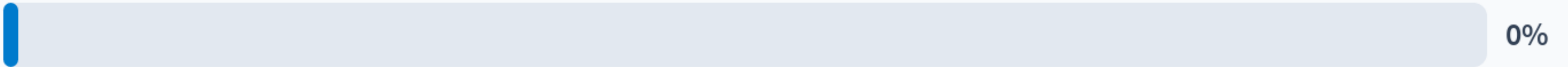
Can you export tables directly into Excel and download images of graphs and charts?

Yes

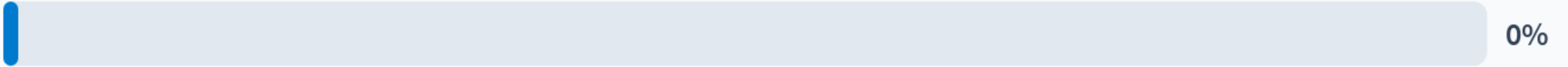
No

Can you export tables directly into Excel and download images of graphs and charts?

Yes

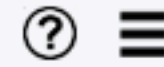


No



Competition / Financial Summary

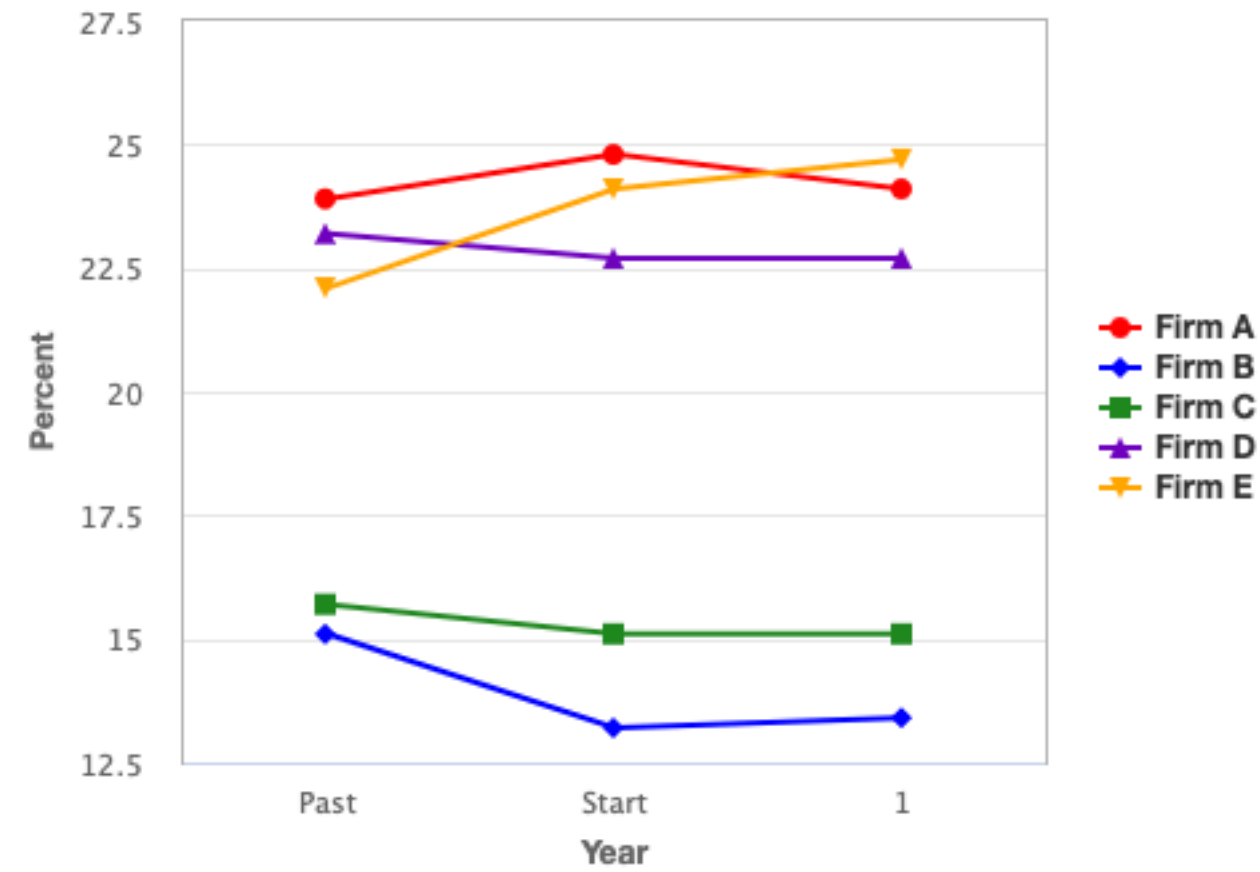
Showroom



Finances by Firm					
	Firm A	Firm B	Firm C	Firm D	Firm E
Val Mkt Share	24.1%	13.4%	15.1%	22.7%	24.7%
Unit Share	29.9%	9.1%	11.7%	22.1%	27.1%
Preference	20.0%	26.3%	20.1%	15.7%	17.9%
Sales	\$22,676	\$12,559	\$14,205	\$21,330	\$23,240
COGS	\$17,683	\$8,449	\$10,218	\$13,126	\$17,916
Marketing	\$378	\$379	\$376	\$539	\$384
R&D	\$0	\$0	\$0	\$1,883	\$0
G&A	\$926	\$482	\$550	\$848	\$841
Other	\$1,874	\$1,307	\$1,327	\$1,833	\$1,932
Income	\$1,815	\$1,942	\$1,735	\$3,101	\$2,168
Stock Price	\$55.44	\$58.31	\$56.74	\$68.24	\$61.70
Mkt Value	\$20,236	\$13,994	\$14,469	\$27,501	\$22,212
Total Debt	\$10,539	\$3,489	\$4,903	\$1,885	\$8,991

Note: Dollar amounts (except stock price) are in millions.

Value Market Share



Financial Details for Firm B			
	Millions	Millions	Percent of Revenue
<u>Income Statement</u>			
Sales	\$12,559		100.0%
Cost of Goods Sold	\$(8,449)		-67.3%
Gross Margin		\$4,110	32.7%
Marketing		\$(379)	-3.0%
Research and Development		\$0	0.0%
General and Administrative		\$(482)	-3.8%
Income from Operations		\$3,249	25.9%
Interest Income		\$0	0.0%
Interest Expense		\$(262)	-2.1%
Extraordinary Items		\$0	0.0%
Income before Tax		\$2,987	23.8%
Less Tax @ 35%		\$(1,045)	-8.3%
Net Income		\$1,942	15.5%
Dividends Paid (240M shares)		\$350	1.46/sh

- Open in New Window
- Print
- Download (XLS)

tables

AutoSave OFF

Competition - Financial Summary - Year 1 (1)

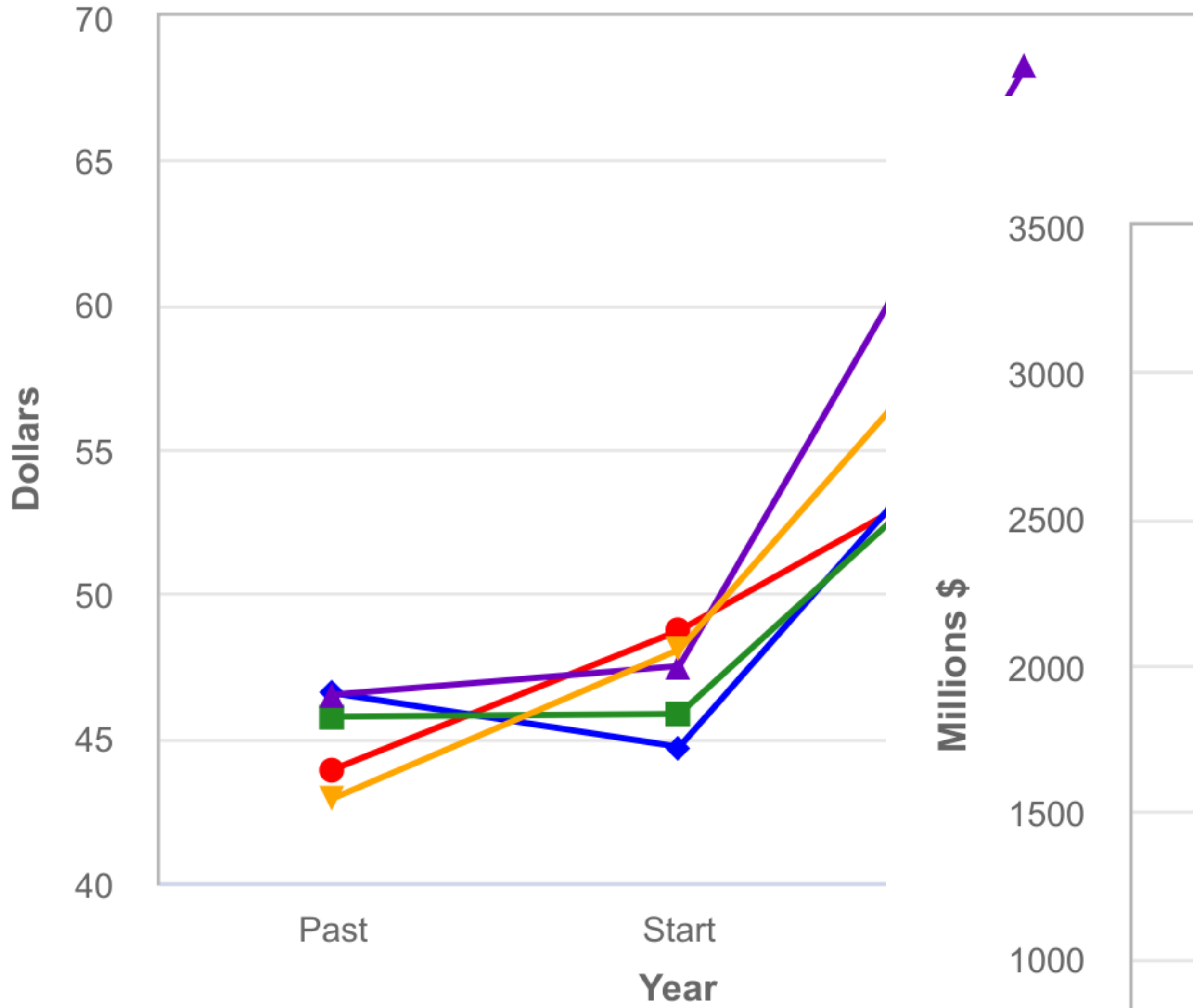
Home Insert Draw Page Layout Formulas Data Review View Acrobat Tell me

Clipboard Font Alignment Number Conditional Formatting Format as Table Cell Styles Cells Editing Analyze Data Sensitivity Solve

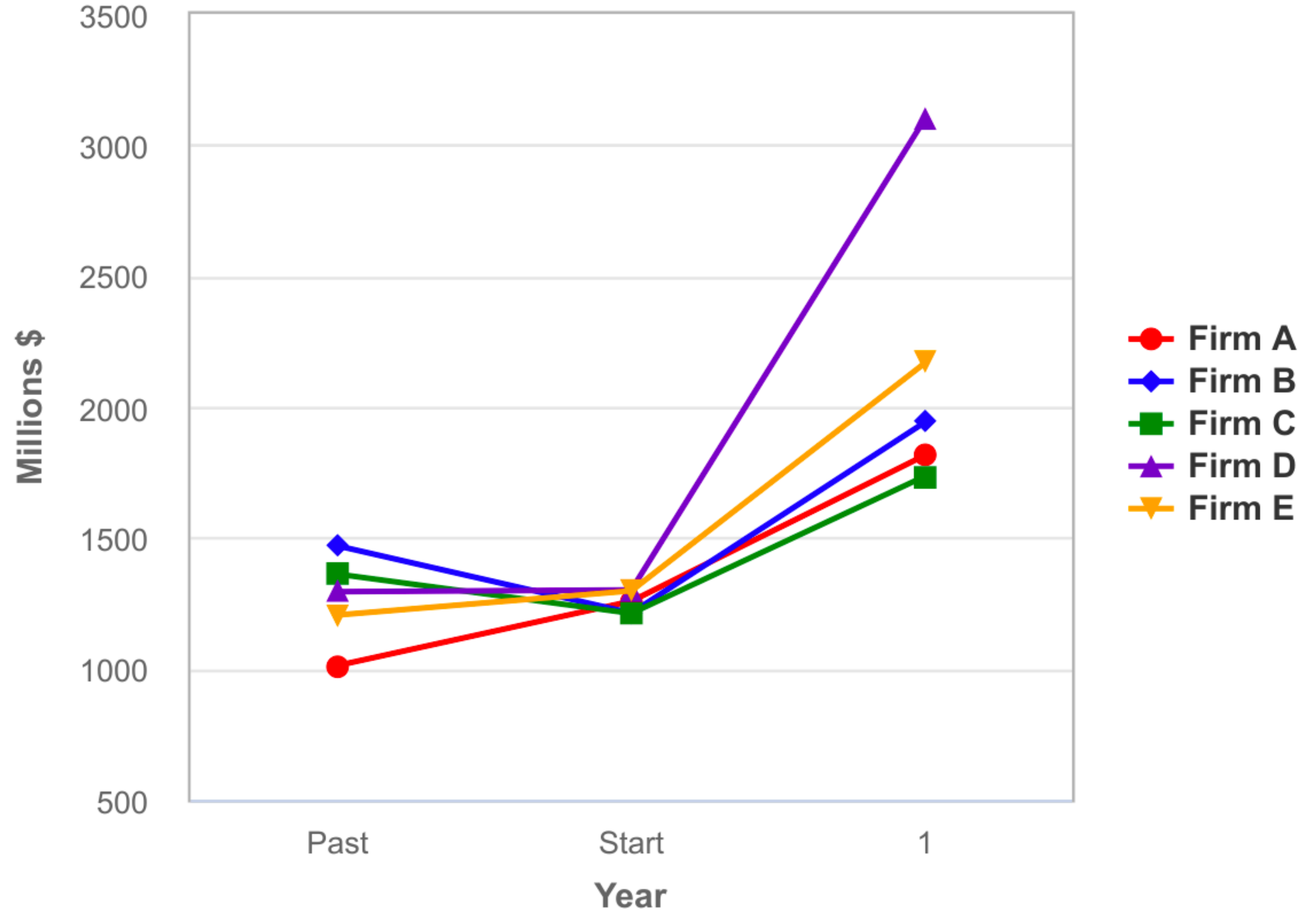
A1 Financial Summary - Year 1

	A	B	C	D	E	F	G
1	Financial Summary - Year 1						
2							
3							
4	Finances by Firm						
5		Firm A	Firm B	Firm C	Firm D	Firm E	
6	Val Mkt Share	24.1%	13.4%	15.1%	22.7%	24.7%	
7	Unit Share	29.9%	9.1%	11.7%	22.1%	27.1%	
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17							
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21							
22	Note: Dollar amounts (except stock price) are in millions.						
23							
24							

Stock Price



Income



Leaderboard