Students Play at Business

Whether the subject is investments, real estate, or health care, more higher education institutions are incorporating simulation software into their business courses.

Teachers say the simulation programs are effective teaching tools because students learn by doing rather than sitting back and listening to a lesson. The games also work because they replicate key aspects of how many companies actually operate these days, says Tony Sturniolo, a business instructor for South University Online.

For starters, students usually work in teams in a company and are responsible for communicating with each other to make company decisions via chat sessions or email. Students also are competing against peers from all over the world, bringing a true international business element to the game that is not unlike the current global marketplace.

“In today’s environment you have to be able to meet with customers and cohorts online and on the phone. It’s just part of life in today’s global economy,” Sturniolo says. “If you want to be a mom and pop store, you don’t need that. But even some local stores who work with customers overseas, like in China, do all of their business online.”

Some research suggests that students whose courses integrate text, simulations, and case studies learn significantly more than those who are supplied with a primarily text-based course. With the South University online course, students play a program called The Business Simulation Game, which challenges students by asking them to run a multi-million dollar athletic shoe company and expand their empires.

Sturniolo has instructed more than 25 online, text-book free classes, including simulations where students start out making “practice” business decisions before delving into the eleven-week course. The business management class that features the BSG simulation “is different from any other class [students] have taken,” Sturniolo says.

Companies created in BSG compete in a global market arena, selling branded and private-label athletic footwear in four geographic regions — Europe-Africa, North America, Asia-Pacific, and Latin America. Company operations parallel those of actual athletic footwear companies Nike, Adidas-Reebok, and New Balance, according to the BSG website.

All teams start with one plant in the North America region and one in the Asia-Pacific region. When students log on to their accounts, they are directed to a “corporate lobby,” a dashboard where all of their company’s vital statistics are accessible. Company owners can find exchange rate tables, interest rates depending on credit data, an industry scoreboard for the sim, and notice of when their next business decision is due.

Teams are ranked and awarded points each week, and the team with the most points at the end of simulation is declared the winner. The top teams from universities, colleges, and businesses from all over the world are invited to participate in the BSG invitational tournament. A few years ago, Sturniolo says, a successful South student place first in that competition.

BSG is the brainchild of GLO-BUS Software, a company with products marketed by textbook giant McGraw-Hill Irwn. The launch in 1991 of BSG was followed by the release of GLO-BUS, a slightly different sim with less functionality.

“Strategy simulations are popular with course instructors due to their ease of implementation and all the learning benefits they deliver,” says Greg Stappenbeck, co-creator of both the GLO-BUS and BSG sims. “In 2010, we anticipate that about 30,000 students will participate in the simulation.”

BSG is used in classrooms as far away as Greece, Australia, and China. According to company statistics, just shy of 13,000 BSG exercises have been conducted since the software’s inception, with more than 66,000 teams formed in that time period. In the past 12 months, GLO-BUS has been used at about 250 colleges and universities worldwide, Stappenbeck says.
Sims cut down on the time that instructors must spend grading and preparing for a course. The cost to students for the simulation course is about $37 per person, a far cry from the hundreds of dollars that are sometimes spent on textbooks for traditional classes.

Sturniolo admits that when online courses began taking shape years ago, he questioned whether they would yield the same results as tradition classroom sessions. But now, after seeing that students respond and provide the same input as a face-to-face class, he’s deemed the online sim a success.

“With simulations you learn from your own experience,” he says. “With case studies you learn from the experience of others. That’s something that many don’t realize. For students, [case studies] can be very boring.”

But students shouldn’t assume that just because a sim is a computer game it doesn’t take work. Quite the opposite is true, Sturniolo says. He has found that students who do well in this course spend at least four hours per week practicing in the simulation, while many students spend over 10 hours per week.

After completing the simulation, some students feel the entrepreneurial bug, Sturniolo says.

And the others?

“Students tell me before class they intend to start a business, and then after class they tell me they have decided not to run a business,” he says. “There is more to it than they thought.”