

# Business Strategy



## What is it?

It is critical for regional managers and managers of individual business segments to plan and organize their operations according to their company's long-term market strategies, the current market situation, and the investment opportunities and limits to attract clients.

Every commercial organization has a limited amount of resources (human, financial, and time), and management at virtually every level faces a choice of how to use them as efficiently as possible in order to bring in those essential profits.

How does one know the amount of resources to invest in business development so that competitors don't lure away your regular clients? What is the "cost of losing a client" and the "cost of a new 'client'"? How do you know when an investment is not required, or whether it's being made in the wrong areas? How do you know which types of clients to target in the current market situation? How should you promote the services you have in order to attract clients into your offices? Which aspects of attracting and retaining clients should be focused on when resources are limited customer service, convenience, or advertising?

To provide middle managers a comprehensive view of the strategies for promoting services and retaining clients, there was a need for a special game space and, at the same time, a modeling tool that could be used to try out various market strategies and see the consequences without actually losing money. The best tool and space for this purpose would be a business simulation game that models the company's operations on the retail and corporate markets over a number of years.

This simulation game not only models a situation that is as close as possible to how managers actually operate, but also provides a high level of player involvement and creates an emotionally charged atmosphere. The conclusions drawn by the players are remembered for a long time.

And so, to get the answers to those questions without making any actual business losses, you can play Business Strategy and have the unique experience of running the company!



CASE STUDY

**The Life Group** 

◆ **SITUATION**

The Life Financial Group consists of 7 banks with their own independent identities (Pro-Business Bank, Higher Education Bank, Express-Volga, Bank24.ru, Gas Energo Bank, and "Let's Go!" commercial bank) and has a large chain of regional offices with a high degree of independent decision making in its business divisions.

The organizers of an end-of-year strategy session needed, among other things, to:

- Communicate to managers at all levels the Group's fundamental values and the means of translating them into long-term client relationships
- Provide a clear understanding of the Group's development strategy for the upcoming year

Some 200 managers from the Group's regional and Moscow-based business divisions were taking part in the event.

◆ **SOLUTION**

The inaugural event in the 3-day strategy session was the Business Strategy business simulation game, in which 160 managers took part in 8 simultaneous groups. Prior to the event, we worked with the client to thoroughly adapt the game so that it would factor in the specific aspects of product promotion used by the Life Group and its main strategic guidelines for handling its banking personnel and its clients.

◆ **RESULTS**

Thanks to the accurate business modeling, lively competition during the game, and the scale of the event, there was a common focus on client relationship strategies, followed by maximum involvement and engagement by managers at all levels in the strategy session itself, with a perceptibly greater drive toward team work.

Another result of the game was to give players a greater understanding of the long-term consequences of pursuing particular operating strategies on the retail and corporate markets.

**Benefits of the Training**

- A graphic encounter with the economic consequences of using various market strategies
- A clear vision of how the decisions made in different business divisions are interwoven
- Improved skills in information analysis and decision making when both time and resources are limited
- A graphic demonstration of the particular ways in which the corporate and retail markets operate
- Awareness of the importance of treating personnel as a strategic company resource
- Understanding of the connections between P&L and ROI using selected, specific strategies, and learning to make a primary financial analysis of your own strategy



## Using Business Strategy...

- To provide an understanding of the role played by middle management in achieving the target financial results
- To communicate the company's development strategy and its niche in the market
- As an effective and unconventional opening session in a dedicated managerial training program
- To improve the atmosphere and understanding of the development strategy during mergers and acquisitions
- As a "warm-up" prior to strategy sessions or other team events
- As an interactive event that is vivid, memorable, and – most of all – entertaining, during conferences and meetings for personnel, business partners, and clients alike.

## Benefits for the Company

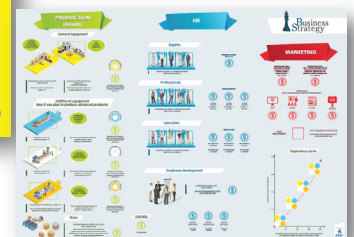
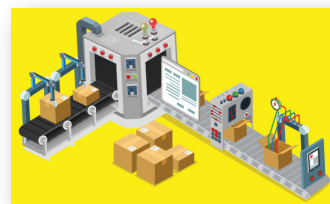
- Fewer losses caused by ignorance of the company's market strategy
- Increased number of initiatives to develop the retail and corporate divisions
- An increased number of loyal clients, because personnel understand the cost of losing a client
- Enhanced personnel efficiency and creation of a unified approach among the management team
- Increased level of involvement and engagement by personnel in what the company is doing
- Less resistance to change
- An opportunity to bring personnel, business partners, and clients closer together in an entertaining game held in an informal atmosphere

## Game Specifics and Goals

- This is a tabletop business simulation game that uses mathematical modeling of economic processes and the specifics of the business sector
- Game duration: 8 hours
- It can be played by 12 to 250 people (12-25 players in a group)
- The game can be ordered as a staged event, or can be supplied for in-house use by the Client

## Game Specifics and Goals (continued)

- The game simulates a competitive market: 4 companies operate with the same pool of clients for 5 years (5 game periods). Each company team consists of 4 people – the corporate division director, retail division director, finance director, and HR director
- Each company starts the game with an equally limited amount of resources
- The winner is the company whose strategy has earned the highest amount of resources at the end of the game
- Some of the decisions that players will make:
  - ◆ Which market operating strategy to choose for the 5 periods
  - ◆ What level of personnel to hire and whether to invest in the company image as an employer
  - ◆ What markets to operate in and which employees to assign to which segments
  - ◆ Which retailing products to promote depending on the current market situation (credit cards, investments, etc.)
  - ◆ Whether to focus on customer service, convenience, marketing, or something else
  - ◆ How much to invest into finding new clients and how much into retaining regular clients, and what is the payback on those investments, depending on the clients and the market situation



### ABOUT THE AUTHORS



**Rustem Bogdanov and Ildar F. Bogdanov**  
Russia

Rustem Bogdanov and Ildar F. Bogdanov are Co-Founders of BIRC. Rustem and Ildar managed to develop BIRC from a start-up to one of the TOP 15 Russian consulting firms. Since 2009 Rustem and Ildar became leaders of the business simulation games sector and now they are responsible for development and sales in Russia and in foreign markets. They attract and build long-term relationships with key account companies such as Gazprom, Mercedes, ING, Unilever, Home Credit, and Caterpillar.



For more information about **Persona GLOBAL**®, Inc.'s metrics and methodologies, please contact [info@personaglobal.com](mailto:info@personaglobal.com) or visit [www.personaglobal.com](http://www.personaglobal.com)

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