

GUIDE

The Definitive Guide to Online Business Simulations



Online Business Simulations is a hot topic amongst both business leaders and learning professionals trying to improve employee performance in ways that traditional training cannot. In fact, the [2020 LinkedIn Workplace Learning Report](#), tell us that 57% of companies are increasing spending on digital learning and 37% are reducing instructor led training. Why? Digital learning works! Infact, 35% of companies are enabling self-directed learning with online learning solutions.

So, why are so many organizations interested in digital learning and why should you be incorporating it into your learning strategy? The answer is simple, online business simulations give learners an opportunity to practice, make errors and learn in a safe environment – and hence is more easily embraced and appreciated by learners. By helping overcome some of the biggest business challenges, online business simulations have a profound impact on organizational success. Regardless of whether you're interested in increasing sales, having a coaching conversation, recruiting, understanding the flow of business and its different levers or achieving any other business objective – chances are that there is a simulation that can help you.

So, whether you're a business leader or a learning practitioner looking to understand this powerful tool in a better way, we hope this serves as a definitive guide to Online Business Simulations.

TABLE OF CONTENTS

What is an Online Business Simulation?	3
What are its benefits?.....	4
Different ways you can use Online Business Simulations in your company.....	6
The most common myths about Online Business Simulations.....	8
Seven factors to evaluate an Online Business Simulation.....	10
Is Online Business Simulations a good fit for your organization?.....	12
Case Studies.....	14
Online Business Simulation Resources.....	18
Conclusion.....	19

WHAT IS AN ONLINE BUSINESS SIMULATION?



[Image Source](#)

Online Business Simulation is exactly what it sounds like. It is a digital representation of the different challenges that one encounters in the sphere of business and corporate life. It covers a wide variety of real-life corporate situations such as building relationships with stakeholders, working as a team, leading a team, increasing sales, coaching those who work under you, etc.

It's not difficult to understand how organizations can benefit from Online Business Simulations. However, running simulations in the corporate world is not standard practice yet, and many organizations are unaware of what they are, how they work and how they can help their company succeed.

This comes as a surprise especially considering that running simulations is such an integral part of so many industries. For instance, pilots spend hours and hours on flight simulators to hone their skills and get a taste of what flying an aircraft feels like before they ever get to fly a real one.

In the medical field, doctors first work on cadavers before they can actually operate on any person. Moreover, in the military, soldiers are trained by running war games so that they familiarize themselves with the experience of what being on the ground feels like. This is a standard operating practice in the military and makes the soldiers prepared for war in real life.

Similarly, Online Business Simulations in the corporate world gives employees in managerial and leadership positions the opportunities to test their skills without having to face the repercussions, as would be the case in real life. In other words, they get to understand what works and what doesn't, and sharpen their skill sets in the process with virtually no risks involved. It hence becomes a great way to build expertise, which you can then apply in real life.

BENEFITS OF ONLINE BUSINESS SIMULATION

Online Business Simulations come with many compelling benefits. Here are some of the top reasons why every organization should make it a standard practice.

1) It is an engaging learning opportunity

Online Business Simulations are extremely life-like, with situations and challenges that you would face in real life in your company (like in [Change Quest](#) for instance). This may include managers faced with a task to engage their team members and learning the importance of good leadership and collaboration in the process.

The best part is that many of the best Online Business Simulations provide an in-depth analytical report of the participant's performance after the simulation is completed. This may include scores in different categories, suggestions for improvements, and more.

This makes Online Business Simulations unique and an extremely engaging learning opportunity that everyone can benefit from. Not only does it test how your current skills would fare in the real world, it also enables participants to learn and grow and help them become better managers or leaders. Besides, regardless of what the challenge is, you can be quite sure there is a matching simulation available for it.

2) The consequences of your mistakes do not affect you or the company

The great thing about Online Business Simulations is that they do not affect your performance in real-life. At the same time, they offer you a chance to work on real-life situations you have to face every single day. This means that participants can build essential skills that are required, and then apply those learnings in real life.

In a way, Online Business Simulations are like a test of your skills and abilities before you apply them in the real world. The decisions and actions you take in the simulations do not have any effect on you as an individual employee or on the company as a whole. So, every mistake you make does not lead to any negative consequence and only serve as a learning opportunity. By reframing mistakes as "opportunities to learn" it creates a psychologically safe space for learners to engage in.

3) It improves employee involvement in learning

Corporate Online Business Simulations are a great way to improve

employee engagement towards learning initiatives. The gamified experience is immersive and interactive. This helps in reinforcing commitment, involvement, and engagement of the participant.

While the competitive aspect is important, it is not the focus of the simulation. Instead, the simulation is aimed towards the gaining of knowledge and skill sets that can help improve the participant's skill sets. This gamified learning experience, works wonders for the engagement of employees.

Moreover, investing in Online Business Simulations signals that the company is interested in the growth and success of their employees. It is a reflection of the company's commitment to continuous growth and improvement.

4) Large numbers of employees can be trained simultaneously

Another compelling thing about Online Business Simulations is that they allow for a large number of participants to be engaged at the same time. Since it is online, it is also ideal for companies who not only have a large number of employees, but also employees at great geographical dispersion. This means that even remote workers can benefit from Online Business Simulations as well.

Each Online Business Simulation course may be synchronous (like [Evivve](#)) or asynchronous (like [Grand Prix](#)). Asynchronous simulations allow participants to log in and partake in the simulation in their own time, independent of other participants. On the other hand, synchronous simulations allow participants to play together at the same time.

DIFFERENT WAYS YOU CAN USE ONLINE BUSINESS SIMULATIONS IN YOUR COMPANY

Online Business Simulations can be used in a number of ways in corporates. Depending on your goals and the kind of strategy you wish to follow, there are simulations for every kind of situation.

Here are a few ways that are popular:

1) **Exposing employees to everyday corporate situations**

One of the most common applications of corporate Online Business Simulations is to expose employees to everyday situations. As stated earlier, this works great because it enables participants of the simulation to make decisions and take actions, just like they would in real life, without having to face any of the undesirable consequences. This provides them with the best of both worlds, creating an online environment where they get to learn and make mistakes at no cost.

For example, a simulation may be about a manager coaching their team members (like the [Coaching Simulation](#)), a sales executive tasked with selling a B2B product to a client (like in [Sales Quest](#)), or an HR manager tasked with hiring the right employees (like in [Higher](#)).

By exposing participants to these everyday tasks that they are likely to face in real life, Online Business Simulations help them arm themselves with the right knowledge and skills so that they know exactly what to do when they face them in the real world. Think of it like a practice match before the real game begins.

2) **Turning the tables to help see things from a different perspective**

Online Business Simulations can be used as an opportunity to put employees in situations outside of their comfort zones. By putting them in a simulation that forces them to get out of their own headspace and see things from a different perspective, they have the unique opportunity to put themselves in other people's shoes and be more understanding and empathizing of their concerns and needs.

Seeing a situation from an entirely new angle makes them better managers and leaders who can understand where the other party is coming from. This



[Image Source](#)

also shapes them to become more versatile thinkers, capable of considering all perspectives so that they can make a smart and informed decision in any situation.

3) Team-based challenges

Another common application of corporate Online Business Simulations is team-based challenges. If a certain group needs to work on their teamwork and trust amongst each other, then a team-based Online Business Simulation (like the [Trust Simulation](#)) is a great solution that is bound to deliver excellent results.

Synchronous Online Business Simulations are multi-player simulations (like [Evivve](#)) where participants play as a team, and hence, have to log in and play together at the same time. Just like in real life, their simulation experiences are linked to one another, meaning that the decisions and actions they take are interdependent on each other.

This works greatly to improve team-work, collaboration, and communication amongst a group of people, improving their team dynamics and their ability to work productively with each other.

4) Helping employees get a holistic understanding of their work

One of the challenges that many organizations speak about is of silo thinking amongst employees. This happens because employees have a narrow understanding of the business limited to the work that they do in their own functions. Many organizations are overcoming this by getting participants to engage in Business Simulations that require participants to run an entire company.

For example, the [Startup Simulation](#) puts participants in the role of the founder of a business. They are tasked with ensuring that the startup is a success and throughout the simulation, they are faced with real-life challenges that tests their skills and judgement while also giving them opportunities to improve the same.

Another example of such a simulation is the [Build-Your-Business Simulation](#) where the participant derives a deeper understanding of how a company works by running a company spanning a wide variety of functions including Operations and Finance, HR, Marketing, Sales, and more. This provides a holistic understanding of the workings of a company.

THE MOST COMMON MYTHS ABOUT ONLINE BUSINESS SIMULATIONS

Like many new technologies, Online Business Simulations are shrouded with mystery despite their long list of obvious benefits. They are often misunderstood by people who do not really understand how they work or how they can help organizations.

Here are a few common myths that we will bust for you:



[Image Source](#)

Myth #1: Online Business Simulations are expensive

This is probably one of the most common misconceptions about Business Simulations. All Online Business Simulations today are cloud based and work on a SaaS model – which means you don't have to buy any kind of complicated software or hardware to run these simulations. The charge is on a pay per use basis. Also, since all that participants need to access it is an internet connection, organizations don't have to invest in costly hotel rooms or the travel logistics of getting all learners together, to roll this out. Participants

Myth #2: Online Business Simulations are only for industry newcomers

There is a very common misconception that employees with experience have nothing to benefit from them. This is simply not true.

Think of a cricket team. Regardless of how many years of experience they have, the veterans always practice in the nets too. This is because net sessions provide an opportunity for players to put themselves in situations that may be completely new to them. The same is true in the corporate context too. In the VUCA world that we live in, a simulation allows people to see things from a completely new perspective, one that they may not even have considered before. Practice always helps regardless of what game you are playing!

This often enables the company to save itself from damages in the long run, while also helping save lots of money that would have been spent on fixing those damages. So, Online Business Simulations allow individuals and companies to work on scenario planning in a very practical way.

Myth #3: Online Business Simulations are not interactive

If you think that Online Business Simulations are not interactive, think again. A typical Online Business Simulation will first have an introductory session where participants connect with each other and the Facilitator through a video conference call. This is a time for them to clarify any doubts they may have regarding the simulation.

Next, the participants log in and start playing the simulation to the best of their abilities, facing situations they are likely to face at one point or another in real life. After the simulation is completed in an hour or two, all the participants join back through a video conference with the Facilitator.

Here, they discuss their experiences and their individual results. Their learning and takeaways from the simulation are debriefed by the Facilitator. This provides an in-depth understanding of their own skills and performances and the changes they need to make to improve. It doesn't get more interactive than this.

For those who would rather learn by themselves, simulations also provide the option of self-paced learning.

Myth #4: Online Business Simulations are for people who are tech-savvy

If you think you won't be able to benefit from an Online Business Simulation because you are not tech-savvy enough, then you are woefully wrong.

Simulations available today are designed meticulously with a friendly user-interface that is easy to navigate even for people who have limited online or digital knowledge. If you can play a video game, you can engage in an Online Business Simulation. You don't need to know any special code or be familiar with any program or software.

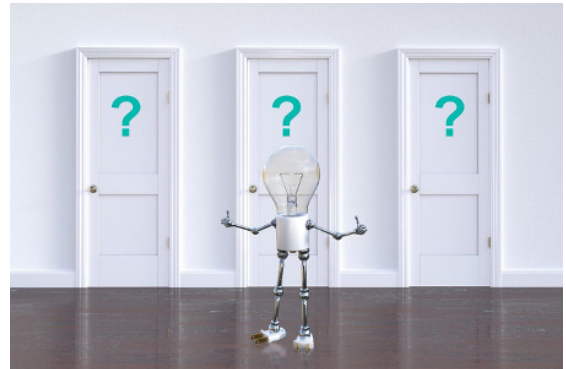
Myth #5: Business Simulations only help to predict failure / shortcomings

There is a common misunderstanding that Business Simulations are only useful for predicting failures and shortcomings. The truth is that while they are in fact capable of predicting failures and shortcomings, they are also capable of highlighting your strengths and areas where you shine.

Online Business Simulations allow participants to respond to situations based on their own unique styles and approaches. There is no single correct way to solve a challenge and no questions have a "correct" answer. Instead, you are encouraged to do what you think is right. This subjective approach brings out the participant's own unique strengths and skill sets and knowledge, which encourages them to focus on improving in the areas they shine the brightest.

SEVEN FACTORS TO EVALUATE AN ONLINE BUSINESS SIMULATION

Like any other tool for delivering virtual learning, it is imperative to evaluate if a certain simulation fits the bill. With the variety of business simulations now available, it can be a hassle to choose, specially when the tool hasn't been used to deliver learning outcomes in the past.



Here are 7 factors you should consider while evaluating an online business simulation:

1) **Alignment with learning objective**

This one's obvious but probably the most important. Read through the details of the business simulation or get in touch with an advisor to determine if the simulation fits the context perfectly. "Trust" for example is a commonly used word in corporate teams. When aiming to build trust, the objective could be to build it within the team, within the organization, or with external stakeholders. Hence, evaluating the context of the business simulation is of utmost importance.

2) **Sample Reports / Analytics:**

A related point of evaluation is the report that is generated after the simulation or the analytics that are presented after the game play. In reports, see if the models followed by the simulation for evaluation of the players go well with the models largely followed by the organization (if any) or if they lead to a conflict with the earlier trainings delivered.

For analytics, see if the metrics are relatable to the KRAs of the participants or are a part of their growth journey.

3) **Mode of delivery**

Online business simulations can be self-paced or be facilitator led. Self paced simulations are gaining popularity since we all have schedules busier than ever and just can't find the time to come together for a session. Making time for learning is one of the biggest challenges for learning teams to overcome.

Where it's difficult to get people together for a session, check for self paced simulations that have rich post game play content. This content can be in the form of videos, articles, etc.

Wherever possible, go for a facilitator led debrief session, contextualized to the learning cohort. The quality of debrief improves manifold when each participant shares insights and learns from the others. Certain doubts that participants have on a related topic can also easily be addressed by a facilitator.

4) Synchronous vs Asynchronous

Asynchronous business simulations are single player simulations and players have no interaction with other participants during the game play.

Synchronous business simulations on the other hand are multiplayer, requiring a great deal of communication between the participants, and any action of any one player impacts the overall game play for everyone.

For skills that can be learnt individually by a person - like leadership, difficult conversations, client management, asynchronous business simulations are better suited. This way, the report only depicts the impact of the person's decisions. To inculcate skills like teamwork, collaboration, communication, where the skill itself is impacted by everyone in the team, synchronous simulations fit better.

5) Reinforcement and supplementary content

Whether a simulation is self run or facilitator led, the learnings will tend to fade away (just like any other training) after a certain point in time if not reinforced.

Choose a simulation that has content available for later use in the form of microlearning modules or e-learning content.

6) The Algorithm

In a business simulation, the participants get to experience dynamic situations that imitate real corporate life. At every step is a decision that needs to be taken, minor or major.

Certain simulations use a decision tree to simulate this experience. And hence, have a limited number of coded responses. Newer, more robust simulations use AI and algorithmic coding to provide a large set of behavior options to the participants, not limited by a decision tree to provide a more life-like scenario. In this sense, they're certainly better than simulations that use a decision tree model.

7) Complexity of Decision making

The number and variety of decisions that a learner is required to take in the game play determines the complexity of the simulation. Very complex simulations

involving various aspects in a scenario may seem to be very close to real life but are not always useful. Additional elements can obstruct the learner's ability to process the cause and effect relationships that are intended to be exhibited by the simulation. Conversely, too few decisions in the simulation may also lead to disengagement.

A business simulation with appropriate complexity should be chosen keeping in mind the learner's maturity and experience. A client advisor from a vendor should be able to hand hold you through these decisions.

IS ONLINE BUSINESS SIMULATIONS A GOOD FIT FOR YOUR ORGANIZATION?

With so many virtual learning tools and modes of delivery available in the market, choosing the right one for the organization can be a difficult task for L&D / HR Managers.

While choosing and evaluating such learning tools for driving training initiatives in the organization, the decision maker will more or less have the following questions:

Is it user friendly?

Is it impactful?

Is it engaging enough for the learners to complete it?

Are there any indicators of the learner's performance?

The answer to all of these questions is yes with 'Online Business Simulations' and is a good fit for your organization in the following ways:

1) Ease of use:

Online Sims are extremely user friendly and you just need a computer and stable internet connected to get started on. The UI is very interactive and easy to navigate and most of the sims do have a demo video of instructions about playing the simulation. You don't need any specific tech skills to be able to play a simulation and hence is suitable for everybody at the organization regardless of the work they do.



2) High Engagement and Impact:

Learning using gamification attracts employees like no other form of learning does. The instant results make learners think, analyze their strategy and change it if required and keeps the learners highly engaged throughout the game play.

To make the learnings stick, the content related to the same skills/competencies can be delivered in bite sized format regularly.

3) Performance Indicators:

The comprehensive reports generated at the end of every simulation gives participants scores/percentiles of their performance on key competencies of the simulation. Learners can take up the simulations repeatedly for practice and compare their performance reports to see if the needle has moved.

4) Usage in Learning Plans:

Online Business Simulations are a good way to align learning to individual learning plans. As an L&D stakeholder, one may have to devise training plans for New Managers, Hi-Pos development, leadership development, etc. in your organization. Different online simulations cater to different learning objectives and needs and are industry agnostic. They can be integrated seamlessly in any learning plan for any target group across functions. Here are a few examples:

- Take an example of a **Leadership development program** that intends focusing on developing effective leaders who execute better, deliver long-term business results and are team players.

The [Everest Simulation](#) by Forio focuses on the same objectives and is designed to help participants build leadership capabilities. In this simulation, participants play the role of trekkers and explore group dynamics and leadership in the context of climbing Mount Everest. Each round of the simulation lets players decide how to effectively distribute supplies and information needed for the ascent — decisions that affect speed, health, and ultimately the team's success in summiting the mountain.

- Consider an organization that would want their **Hi-Potentials** to think out of the box, solve problems in an innovative manner, come up with creative and implementable ideas for business growth. They may want to introduce Design Thinking as a new concept for this cohort.

They may choose to go with a Design Thinking Simulation by Treehouse innovation [Remote design thinking training](#) which helps the participants to

connect design thinking with agile and lean startup methods and foster a shared language and culture of innovation

- Or consider an engagement being planned for a Senior Leadership team that has to drive a organization wide change initiative. Change in any form is something that is not welcomed with open arms by people and resisted at first. How about helping the leaders with some practice before they jump into the real deal?

[COHORT Change Management Simulation](#) by Businesssimulation.com for instance would be an ideal fit to help them develop influencing skills to drive the change project in the organization.

CASE STUDIES

CASE STUDY 1: A financial holding company bridges the gap between classroom-based training programs and the real world for their high potential employees

Objective :

As a part of their high potential one-year program, the organization wanted to augment their project management and general business acumen curriculum. They also wanted to bridge the gap between classroom-based training programs and the real world for the high potential employees. The idea was to give their high-potential employees the tools needed to tackle various challenges they might face as they advance their career at a growing company.

Solution :

Know how they leveraged Online Business Simulations covering Project Management and Business Acumen as an effective way to get participants to practice applying the learning to their current and future roles. In both the programs, the team-based competition increased the level of engagement and the drive to learn.

Click to read [the detailed case study and client testimonial](#).

CASE STUDY 2: An education provider helps students to understand and assimilate theory by getting them to apply and practice it immediately.

Objective :

As part of their Diploma studies in International Business, the organization held a

1-day session on International Virtual Teams. The objective was to put the theory (lectures) to practice immediately.

Solution :

The Institute did this by introducing a unique spin: after each lecturing segment the participants played a team business simulation game which became increasingly more virtual after each round. At the end of each round, the lecturers guided a team reflection on what the teams did well and what they could improve. Then the teams were given time to plan how they would handle the next round, and so on.

Click to read [the detailed case study and client testimonial](#).

CASE STUDY 3: An Entrepreneurs Club gives prospective entrepreneurs practical experience of running a company and handling business challenges.

Objective :

As part of their engagement with entrepreneurs the Entrepreneurs Club organized the first practical management training in a virtual environment. The participants wanted to test their business skills and see how running a company in business simulation can impact real-life business ventures.

Solution :

The Club organised this by breaking participants into a total of 6 teams (15 participants) who were to lead their virtual companies out of a financial crisis in an Online Business Simulation. Based on their results, participants were able to do a post-mortem to analyze the mistakes that were made and the insights that were gained.

Click to read [the detailed case study and client testimonial](#).

CASE STUDY 4: A Telecom giant develops agile leaders through a virtual business simulation.

Objective :

The organization was going through a transformation to start working in more agile ways and wanted to implement an agile working culture across the whole organization. Such a large cultural shift is no small feat in such a large, international organization.

Simply learning about agile ways of work and attending lectures and seminars is not enough to grasp this complex topic – co-workers needed to actually experience how agile would affect their own work.

Solution :

Business simulations were used to help create alignment and facilitate this change process. Co-workers working across teams simulated a project team in a VUCA world and took part in the simulation. They competed against other teams and were given scorecards and feedback on each of their decisions, and how well it aligned with agile working methods.

Through discussion, dialogue, and joint decision-making, co-workers aligned on how to best approach common challenges and dilemmas. Debriefs held in the digital classroom ensured that all the groups were aligned and allowed for new knowledge to be created in dialogue between the groups.

Click to read [the detailed case study and client testimonial](#).

CASE STUDY 5: How an IT Services company used a [business simulation](#) to drive Execution Excellence

Objective :

The objective of the simulation session, conducted for the MD and Senior Management of company was to address and overcome the below problem statements

Over-Promise, Under-Delivery: The sales team made big promises but the delivery team wasn't able to follow through with the commitments

Ownership of the Big Picture: The Accounts Receivables team met with lots of resistance from the client at the time of collections. Not knowing who to involve in the retrieval process (sales or delivery), the incoming payments were delayed, dramatically impacting the company's cash flow.

Solution :

Phase 1: Consultation to find out the root cause

The consultation phase involved meeting with the core members of the team and determining what kind of challenges prevailed in the organizational work-life. It was concluded that accountability within the management team was an issue.

Phase 2: Intervention–Evivve Business Simulation

Similar behaviours emerged during the simulated game. During the gameplay, the same behaviours displayed in their real life situations, came to the fore again. It is not for nothing that it is said that in Experiential learning, “The way people play, is the way they work. “The game dynamics and behaviours became an entry point to bring the group’s attention towards areas of development. Using T-groups and behaviour psychology, awareness for the members of the group was developed.

By the end of the session, members displayed a heightened sense of awareness of what they were doing. There was acknowledgement of the problem they were dealing with and an agreement to do something about it.

Participants agreed that their team was weak in executing strategies and many of these symptoms were a result of that. This marked the beginning of the next phase where they would go on to implement an execution excellence model known as 4DX with guidance

Impact :

C-SAT: Customer satisfaction went up by 23%. The complaints went down significantly by 29%. The MD was pulled into fewer firefights to resolve disgruntled clients’ issues etc.

Cash flow increased as the accounts receivables was able to get money from the client because the client was more satisfied now. And in cases when the clients still resisted in making payments, the relevant team got directly involved and resolved delinquent accounts within days.

RESOURCES

If you would like to understand more about Online Business Simulations, here are a few useful resources:

- [How Companies Are Using Simulations, Competitions, and Analytics to Hire:](#) **Harvard Business Review**
- [Using Simulations in Corporate Training: The Missing Piece:](#) **Forio**
- [Business simulation games for learning :](#) **The L&D Forum**
- [Top 11 learning trends for 2019:](#) **The Pageuppeople.com**
- [The Top 5 Trends in Learning and Development:](#) **ATD**
- [Article: How to enable first-time managers to run high performance teams:](#) **People Matters**
- [Simulation-Based Learning: A Flexible Training Solution:](#) **HR Technologist**
- [6 Reasons Why You Should Use Simulations In Corporation Training:](#) **ElearningIndustry.com**
- [Using Business Simulations to Develop Millennial Leaders:](#) **Trainingindustry.com**
- [5 Ways Leadership Simulations Drive Measurable Business Value:](#) **Trainingindustry.com**
- [The future of technology and learning:](#) **CIPD**
- [8 Top Benefits of Training Simulations in the Workplace:](#) **Lindenberger Grou**

CONCLUSION



[Image Source](#)

Online Business Simulations are a great way for companies to keep employees engaged, productive and motivated. They offer unique and unparalleled learning opportunities and experiences in a safe environment where they do not have to suffer the consequences of any mistakes they may make.

This positive focus on learning encourages the employees to grow both personally and professionally, thus enabling them to align their own goals with that of the company. This in turn allows them to contribute more to the growth and success of the organization.

Whether you want employees to learn to be more collaborative, improve their leadership skills, or test their marketing knowledge and skills, you can always rely on Online Business Simulations to provide the perfect testing and learning experience.

About FocusU Engage India

- Amongst the most respected players in the Learning space
- More than a decade of experience
- 4 offices in Delhi, Bangalore, Mumbai & Mauritius
- Conducting around 600 programs a year touching 40000 participants
- Facilitators with international experience & handling multi-cultural groups

We have been fortunate to work with most of the Fortune 500 organizations, and a complete customer list is available at <https://focusu.com/clients/>

Some of our recent customer testimonials are updated at:
<https://focusu.com/testimonials/>

A few clients with whom we have worked:



