Welcome to your Capsim business simulation. You are about to have a great opportunity to run a complete business and experience how each department interacts with each other to help you achieve your business goals.

This is as close to real world experience as you can get in a classroom, and so: congratulations! You are now in charge of a multi-million dollar company.

Let's do a quick orientation – we'll take a look around the place. Your company manufactures and sells electronic sensors, a product that's found in a wide variety of devices and industries. Sensors are everywhere - in cars, elevators, and smartphones - so there’s strong demand for the product you make. However you’re not the only company in the market. Your competitors run similar companies – each company was created when the government split an existing monopoly into several smaller companies. Right now, at the beginning of the simulation, it’s an even playing field. The decisions you make, however, will determine whether you rise to the top, or sink to the bottom.

Welcome to life in the executive suite!

So, what are your responsibilities? You have four key departments to manage and coordinate: research and development, marketing, production, and finance.

Research and Development, or R&D is where you invent and revise products.

Marketing - sets your product’s price, determines your sales and promo budgets, and forecasts sales for the coming year.

Production - schedules manufacturing runs and manages the size of your plant and its automation levels.

Finance - ensures your company has the funds it needs to grow.

Each department needs to communicate with the others to implement your strategy. But what will that strategy be? The best place to start is with analysis - breaking down both your industry and your company. Once you know the company’s strengths and weaknesses, and the potential of the market itself, you'll be able to create a vision for the future.

Start with the Industry Conditions Report, which gives you the parameters for your specific industry. Using this report - and an industry newsletter called the Capstone Courier (Foundation FastTrack) - you have all the information you’ll need to begin your analysis.

Another useful tool to get you started is the Situation Analysis. This series of tables helps you determine the size of the market, how fast it’s growing, and what kind of products different types of customers are looking for.
Once you’ve completed your analysis and created your strategy – it’s time to settle into your role as manager and start making decisions.

As you know, the departments in your company are R&D, Marketing, Production and Finance. You make decisions in each of these areas using the online interface.

In R&D, you decide what new products you’ll introduce to the market, and how you will improve the products you already have. This is the place to invent and revise.

It’s the Marketing department’s job to ensure you sell what you make, so on the Marketing screen, you set your product’s price, decide how much to spend on promotions and your sales force… and – most importantly – you forecast how many sensors you’ll sell in the coming year.

That forecast is very important because when you move to the Production Department, you need a very clear idea of how many sensors to make.

Production is where you build your products. You can also create production lines for new products, sell off old production lines and improve your plant by increasing automation.

These can be big investments, so how do make sure you have the money you need to pay for them? That’s up to the Finance department.

You run a publicly listed company. Your options for raising money are issuing more stock, and borrowing long, or short-term debt. On this screen you can also pay back debt.

Making sure you have the money to achieve your strategy is important every step of the way so you also have access to a set of proformas – dynamic financial statements you can look up at any time. The proformas recalibrate with almost every decision you make, so keep an eye on them. They will help you test out strategic ideas - like “what if I introduce a new product” or “what if I double my promotions budget”. The proformas help answer the question “can I afford my big idea right now?”

OK. Now that you’ve had a look around the place, it’s time to dive into the work. The Rehearsal Tutorial will help you get comfortable with the interface and show you how to make decisions– then it’s time to run the company, execute your strategy and take on the competition!

Good luck!