

## THE ULTIMATE FINANCIAL CHALLENGE

An interactive business game with a 21st century product, but age old problems!

Make a Million! is a business strategy simulation for 1, 2, 3, 4 or 5 competing teams. This fully interactive exercise allows all teams to start at the same point in the same marketplace. But with eight other potential markets available, the sparks soon begin to fly.

### SUMMARY

Each team markets a state-of-the-art handset which gives customers access to all the sports information they will ever require - dates of matches, scores, names of runners, Olympic records and so on. But the competition is tough!

Teams need a strategy. Should they settle down in one market and exploit it or should they branch out into new and unknown markets and hope to make a killing by being the only company in the marketplace?

But if Team A goes into one of the new markets and so does everyone else the competition will be intense. Maybe market forecasts would be a good idea but they cost £50,000 per market - a total of £450,000 for all nine markets. Is it worth the cost?

Maybe it's money well spent.

And if a team does go into multiple markets will they have enough stock to service all the customers or does the warehouse need to be expanded?

And what is this letter about fire insurance that has just landed on our desk?



Fire seems like an unlikely risk and we need to cut costs so don't let's take out insurance. It'll never happen!

Or will it?

This exercise will stretch the very best minds in your organisation.

### An excellent vehicle to explore issues of:

- Business vision and strategy
- Decision Making
- Financial analysis and statements
- The impact of borrowing
- Stock, research and advertising
- Management control
- Competitor analysis
- Forecasting and planning
- Business ethics

# SAMPLE RESULTS SHEETS

75,000 new customers paid £165 per handset - good start!

Rental income accruing from last half year

Team 2

## Profit and Loss Account

	Half Yr 1
Revenue:	
Phone Sales	12,375,000
Phone Rentals	15,285,975
Advertising	821,006
	<hr/>
Total Revenue:	28,481,981
Cost of Sales:	11,250,000
	<hr/>
Gross Profit:	17,231,981
Costs:	
Sales Staff	200,000
Traditional Advertising	2,000,000
Electronic Advertising	2,000,000
Research & Development - Data	2,000,000
Research & Development - Tech	2,000,000
Management & Administration	2,200,000
Depreciation	5,000,000
Cost of Market Entry	15,000,000
Special	250,000
Loan/Overdraft Interest	315,462
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Net Profit:	-9,233,481

So far so good!

If staff were paid more - would they sell more?

Enter new markets cautiously. Is this too many, too soon?

What will it take to turn this around?

## Agenda Outcomes

- Staff understand the reasons why you instituted a clause about intellectual property but know it is unenforceable and so have ignored it. One or two are feeling resentful and that you don't trust them. This is not good for morale.
- You fought the court case against the damages claim and won recovering your costs. However, you were seen as being a little too aggressive and this attitude was met unfavourably and sales have been dented.
- You appointed someone to look after your interests, briefed them well and continue to manage them successfully. This is beginning to pay off in real terms.

Teams also need to agree on some agenda items. Here they get the outcome of their decisions.

Team 2

Half Yr 1

**Balance Sheet**

Fixed Assets

Tangible Assets

9,500,000

Current Assets

Stock

0

Debtors

4,272,297

Cash

0

Current Liabilities

Creditors

562,500

Bank Overdraft

1,470,084

2,032,584

Loan Capital

5,000,000

Net Assets

6,739,713

Capital & Reserves

Share Capital

15,751,894

Profit & Loss Account

-9,012,181

6,739,713

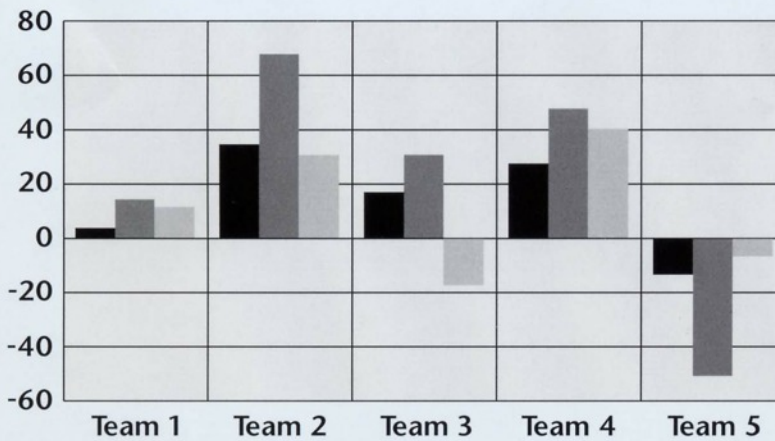
Whoops!  
Now they  
didn't want  
to do that!

WOT!  
No cash?

OUCH!

How  
much  
of this  
can be  
paid  
off?

**Half Year 2**



Net Profit £M

R.O.I.%\*

Cash

\*Return on Investment

**MAKE A  
MILLION!**

## HOW IT WORKS

Teams are issued with a Team Briefing Folder. Inside are all the details of their business including the latest Profit & Loss account and Balance Sheet from the previous period.

Teams spend up to 75 minutes discussing the issues in the folder. They are all in the UK Sport market but should they expand within the UK or within Europe? What are their pricing, advertising and staffing decisions?

After 45 minutes they are issued with a Decision Form on which they record their financial decisions and strategy. They also order stock for the coming period and ask for market forecasts and competitor data if they want it.

Teams also have three management problems to deal with in every period.

The details from each Decision Form are fed into the computer which prints an Operating Statement, P&L Account and Balance Sheet for each team. Teams study the results and complete a second Decision Form.

This pattern is repeated for up to five rounds in all. As the teams get deeper into the exercise the decisions become more difficult and good management skills increasingly important. There's a lot to do and teams need to prioritise their work.

At the end of the exercise, there is a discussion on the teams' performance and the learning points are brought out. Many of these points are about the complexity of business decisions, about the need to spend in order to accumulate but to do so in a rational and cautious manner keeping borrowing under control and minimising interest payments. The key to good business practice is to understand the numbers and to plan ahead using all the information you can get and staying in control.

## TIMING

Timing is flexible as you do not have to play all five rounds. The first session is the longest as the team get to grips with the details of the business they have to run. Allow a minimum of 45 minutes to a maximum of 90 minutes for the first period. At the end of this time teams complete their first Decision Form.

It takes less than five minutes to enter the team data and print the results. Next, allow 45 minutes for teams to analyse the information on their results and complete Decision Form 2.

Each subsequent session will take teams approximately the same time or less. So three more sessions of 45 minutes gives a time of 2 hrs 15 minutes plus the original 90 minutes is a grand total of nearly 4 hours - ideal for a morning or afternoon session. However, inputting the data takes longer as the game progresses so allow extra time for this. And you can easily spend a whole day if you want to give teams more time - which they may need! Alternatively, use in stages on a residential course.

**Duration:** 4 hours or longer.

**Cost to buy:** You can buy the game and use it yourself for £695 + VAT and delivery. We will also run this game for you, please contact us for details.

**Best for:** Graduate to director level.

**To Order please contact:  
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