

Many business simulations are long, complex and sometimes rather tedious. We think 'The Wine Bar Game' breaks the mould! Ideal for short courses or conferences.

Teams enjoy running a wine bar from scratch, taking out a loan to cover the lease and refurbishment of the premises. They need to plan a layout; set the prices; choose a promotion style and budget; decide on the number of staff and what to pay them.

They have to run their business on a weekly basis and complete a simple decision form which is fed into the computer. This gives them the results of their trading for that week.

Any decision made in one week can be changed the next, so teams need to analyse their results carefully. Are sales low because of high prices, poor staff, limited spend on promotions or because they are not serving cocktails and coffee?

As with any new business getting into profit in the early stages is a struggle. Can they get out of the red and make the bank manager happy?

Each team starts in the same position and so everyone has a fair chance. The team that develops their business in the most efficient manner will be the winners.

The game does not concentrate solely on profit. Teams have to draw up a quality programme for their business and this affects how much custom they get. But that's not all. If teams are underpaying their staff, they are notified of a possible theft from the till. Also, employees may start complaining that they have no time for coffee breaks, which is a sure sign of understaffing. The computer helps by printing advice on some of the decisions teams have made, and asking them to provide suggestions for improving the quality of their operation.

As the simulation progresses the teams face various challenges. Should they expand into a garden area? Is it worth diversifying or not? They also have to cope with a flu epidemic, a world wine festival and a heat wave!

Putting up the different teams' profit each week encourages competition and there's always a clear winner - the team that managed their business most effectively and came up with the best cumulative profit!

The game focuses on:

- Forecasting and planning
- Analysing financial data
- Teamwork
- Risk management
- Managing staff
- Quality issues
- Costing, ordering and pricing



Please see the following pages for examples of the instruction sheets issued to teams.



Wine Bar

Business Simulation

INTRODUCTION

1

You have decided to set up a business running your own wine bar.

Suitable premises, in need of refurbishment, have been chosen.

You have no money but your bank has agreed to your borrowing to pay for the lease premium of €12,500 and for refurbishment. Repayment of the loan will stretch over two years and a table is provided to illustrate the weekly payment on a range of loans. You can of course, at any time, pay off any part of the loan capital.

All other costs will be paid out of sales, on a weekly basis, at the end of the week's trading. Any overdraft will be charged at 5% per week.

The lease on the premises is due to be signed shortly and you have arranged for work on refurbishment to start immediately after signing - with an opening date planned for Tuesday 1st May - just in time for the summer season.

Before opening, there are a number of fundamental decisions you will need to make:

- What level of refurbishment do you want?
- What will your wine bar be called?
- What size of bank loan will you need?
- At what price will you sell the wine?
- How many staff will you employ and what pay rate will you set?
- How much stock will you hold?
- How much should be spent on promotion and what design will you adopt?

Further information to help you make these decisions is contained in this **Team Folder**.

Once you have made your decisions you should record them on the **Decision Form** and hand the form to the Trainer.

ADDITIONAL DATA

- WINE BAR NAME
20 characters maximum (including spaces between words)
- WINE BAR OPENING
Tuesday to Sunday inclusive 12 noon - 3.00pm and 5.30pm - 11.30pm
Closed: All day Monday



Wine Bar

Business Simulation

SURVEY

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A survey in the town centre, to try to identify the *potential market*, yielded the following:

RESULTS OF STREET SURVEY TO IDENTIFY THE POTENTIAL MARKET

Total population of town, including students and visitors, is approximately 75,000. The following results were obtained from questions asked to a random sample of people in the town centre:

To each passer by

Are you over 18 years of age?

75% said 'yes'

To those over 18

Are you interested in using a wine bar?

30% said 'yes'

To those interested

How often would you expect to use the bar?

One visit/month (av.)

How much would you expect to drink?

Two glasses/hour (av.)

NOTE

There can be a big gulf between what people say they will do and what they actually do. These figures are *potentials* only. There are many other factors that determine how many potential customers will be converted into real ones. One thing can be said. "The potential exists for a successful business." The rest is up to you! New businesses do not always get off to a great start.





Wine Bar

Business Simulation

STAFFING AND PAYROLL

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MANAGER'S SALARY

You, as manager, will handle all the administration and management but will not be serving customers. You have decided to pay yourself an initial, annual salary of €37,500.

STAFF

You will need to employ staff to handle trade. You have decided they will all have the same job description and the same rate of pay and will work on a casual, weekly basis.

BAR STAFF JOB DESCRIPTION

- ✓ receive customers
- ✓ wait at tables
- ✓ serve behind the bar
- ✓ handle customer bills
- ✓ wash glasses
- ✓ keep premises clean and tidy during opening hours

STAFF PAY

Rates of pay for bar staff are variable. The minimum is €7.50 an hour. Experienced staff, with a track record in sales skills and knowledge of wines will probably be looking for more.

VOLUME FORECASTING

As your payroll will be one of your biggest outgoings it is very important that you are not over-staffed. Alternatively, being under-staffed could limit your trade. Predicting staff levels as accurately as possible, therefore, can make the difference between a profit at the end of the week and a loss.

The book, *Food & Beverage Management*, states that one member of staff can handle, on average, 20 drinks per hour. This may seem low but takes into account *all* the jobs that staff have to do (see job description) plus the fluctuation in trade with time of day.

■ THE DECISION FORM

Number

Decide how many staff, *on average*, you will have on duty at any one time and enter in multiples of 0.5 from a minimum of 1.0, e.g. 1.0, 1.5, 2.0 etc.

Pay

Enter an hourly rate, for example €10.25

Users' Comments

"I used The Wine Bar Game with 300 managers – used on the first day of a week-long residential course, run over three months. Diversity was brilliant, teams who were on track making the wrong decision and coming last! Great fun, very interactive, good group training for people who hadn't worked together before. Highly recommend this game, it ticked all the boxes and got a week's residential off to a good start."

"I used The Wine Bar Game on a course to increase commercial awareness and general management and teamwork with middle managers. The best learning points were that motivation increases with profit, and that you should treat staff well! It is a great activity and really keeps everyone interested and learning. The tricky part is getting them to agree to stop after Round 8! Well presented and thought out – a pleasure to use for both trainer and delegates!"

"We used The Wine Bar Game during a two-day management conference. It helped participants focus their general business skills and took them into the realm of strategic planning. The competition between the teams to be the best was immense."

"We had an extremely successful afternoon with The Wine Bar Game. We seemed to strike just the right balance between achieving our objectives and having some competitive fun!"

- Timing:** The Wine Bar Game training activity can be run for 2 hours, over a whole day or on different sessions of a longer residential course.
- Numbers:** Up to 4 teams with 3 to 8 delegates in a team (for each business game).
- Who:** Staff at any level.
- PC required:** One computer (or laptop) and printer required.
- Licence Free:** When you buy this training material, there are no restrictions on the number of times you can use it.
- Cost to buy:** You can buy this business game (which includes a trainer's manual) and use it yourself for £595 + delivery and VAT (if applicable).

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