

# Tutorial ESSARP Enterprise Challenge

Welcome to ESSARP Enterprise Challenge !

Here we present the basic features of the business simulator.

We trust that you will successfully manage the venture generating a sustained increase business value.

## Game Features

Through sim you will manage a business that sells bicycles, skates and rollers. You will take purchasing decisions, marketing and finance aiming to increase sales and maximize profitability of your business

You will have an initial capital of \$ 50,000 to start developing the business

The game will be held for 4 (four) rounds each equivalent to one month of business management. Each round turn be divided into two stages: the stage of decision making and the processing stage.

The decision stage will last established by ESSARP. During this period, each team may freely enter the simulator to make decisions relating to that round or amend those decisions that are not categorized as definitive. At this stage, the participant / team will take decisions and make sales projections estimate that will allow business results. It is worth mentioning that decisions have not yet been "implemented", that is, until the previously set time period ends.

Processing stage work after the close of the round and before the start of a new round. During this time, entry to the game will be disabled. At this stage, the simulator emulates market conditions taking into account the decisions taken by all competitors. In this way, the program will generate sales results, profits, etc., that may coincide real more or less projected results. The degree of coincidence result depending on how successful have been the sales projections made .

After completing the processing stage, the business situation will be updated with actual results enabling participants to make decisions for the next round and to consult the reports (free or pay) to own and market information.

The different products (skates, rollers) will be added throughout the game rounds. From the first month, the local will have incorporated the sale and rental of bicycles; the second month may start selling skates; the third, may also sell rollers; and the fourth month may repairing bicycles if you so wish. You may choose not to market a product.

Each participant will compete against **three virtual businesses** already installed in the City that will make decisions automatically (considering the decisions that go taking the new entrant business). Depending on the performance of each team (which will be synthesized in Total Business Value indicator), a ranking of all participating teams will arm.

The winner of the competition will be who ends up at the first location of the ranking after 4 (four) rounds. This ranking will be available on the website [www.gameroi.com](http://www.gameroi.com) and the business value of your company, ie, profitability and your sales volume will be display.

## INFORMATION AREAS

The competition will take place in GameROI city that has 1 million inhabitants where there are three (3) distinct areas according to socioeconomic status and tastes of its inhabitants. In each of these there is installed competitor already.

Then demographics and rental values of each of these areas are presented.



**The City** is the quintessential business area. On weekdays, passes a large number of people of all social classes. The restriction to traffic and installation of bike lanes is generating an increasing use of bicycles and, to a lesser extent, rollers. Office rent in this area amounts to \$ 3,000 monthly. In the City area already installed Bicycle Emporium noted for their quality of care.

**In the Residential** area they are regularly performed by the Z Games where different schools compete in tests of skill with their teams of skaters. The rental value in this area amounts to \$ 4,000. In this area Rochulette is installed.

**University Park** area is the main green space in the city is frequented by citizens who walk through the area and college students who attend the University located there. The rental price in this area amounts to \$ 2,500. Here already installed Alan Bikes, managed by a former BMX champion.

Industry specialists consider that the installation of a new business in any of these areas would generate not only an increase in the total demand for bicycles, skates and rollers, but also a major attraction of public from other areas.

The first decision to be taken will be the location of your business where your sales will be made.

To make this strategic decision, the possibility that wish to have more information. In that case, they can access the Tablet icon (located bottom right) which has relevant information that will help you make this decision. Here you can see Free Reports for the previous period of individual competitors already established in each zone. You may also buy some Paid Reports that will help you monitor the demand for products that will incorporate the business. All this information will be of great help in defining what area you choose and the strategy that will be taking place throughout the game. We recommend you shop around before you decide!



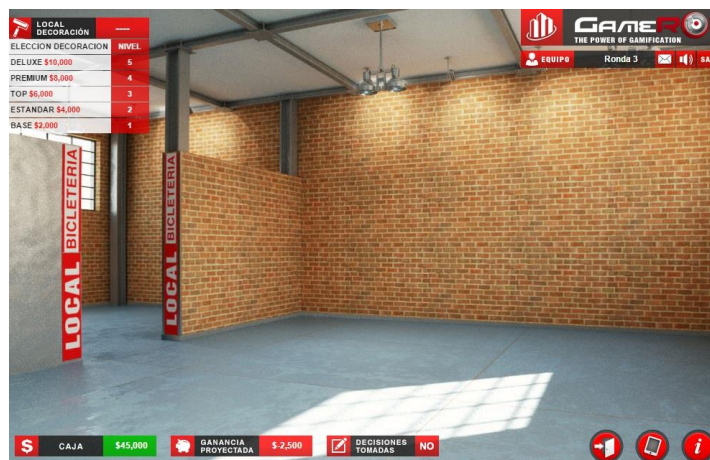
After selecting your business location, you will see immediately the impact of this decision on your **Cash**. There you will observe the money that remains available to spend this month (the choice of local reduce it, as they must pay one month deposit and one month rent in advance) and the **Projected Gain** (here only impacts the payment of one month rent in advance) . You will also find "**Decisions Made**" indicating if you have already taken the key decisions for this month. When the light turns green ("Yes") means you are ready to exit and compete in the market. However, even if the light is green you can continue to modify the decisions every time you want to time the round ends.

Then you will see the various decisions that may be taking, divided in different sectors of the company, each with a screen. All decisions will have an extra help to pass the mouse over it.

## DECORATION

There are 5 levels of decoration:

- Deluxe: \$10.000
- Premium: \$8.000
- Top: \$6.000
- Standard: \$4.000
- Basic: \$2.000



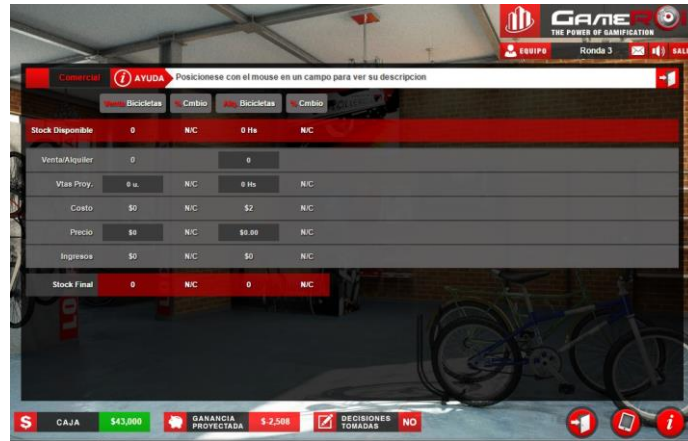
It is understood that a better decoration will be more attractive for customers

You will be able only improvements in decoration level between each round of the game, going on at higher levels (**not may instead go the opposite way**). The penalty for improvement amounts to approximately 20 % of the original cost.

## SALES OFFICE

Here you can decide how many bicycles will go on sale and how many for rental.

Then you will have to complete the fields Sales Projected, Sales Price and Rental Price (only if you have chosen to rent bicycles).



### 1. Sales Projections.

Sales projections bicycles (and in subsequent rounds, the sale of skates and roller) is measured in units. Rent projections are measured in Hours / Month Total (for which you must take into account how many bikes are for rent and occupancy rate estimated to have).

**Note:** The number joining as sales projection will not necessarily be equal to the level of actual sales to end up with your business. Actual sales will depend on how attractive your business is (in terms of prices, decoration, marketing expenses, hours of operation, number of employees, etc.) compared with other competing businesses.

Why join then the projections?

For the simulation to calculate the projected results (Sales, Profit, etc.)

To make sales projections you should take into account the area where you are located (by demographic characteristics and preferences of the population) and the aggressiveness of their marketing mix (how attractive are your prices, investment in marketing, etc.) relation to competition policy (See Tablet).

**Important:** Note that even with an aggressive policy, take some time to reach similar levels of sales to competitors given because they are already installed long and its products are widely known in City.

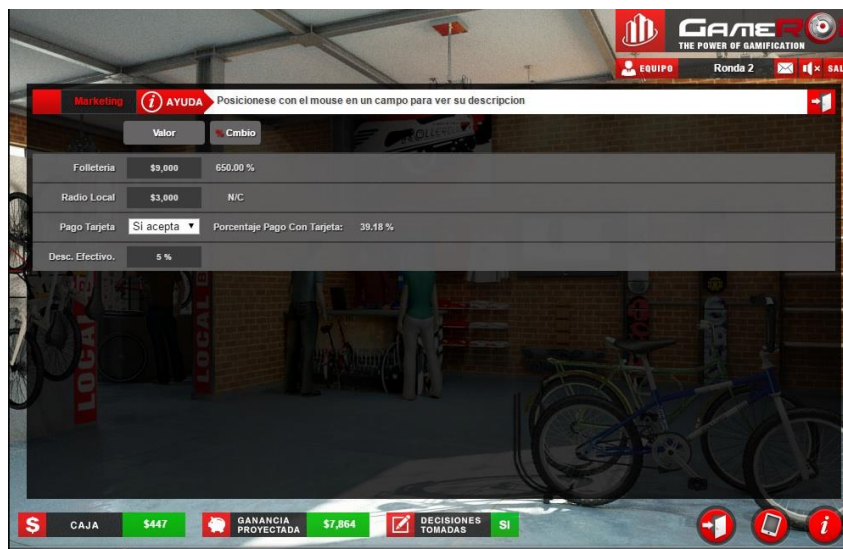
2. **Prices:** To set prices you may take into account the costs and the prices set by competition in the Free and Paid Reports available on the Tablet.

> Price < Demand and vice versa.

## MARKETING OFFICE

Here you can decide how much you spend in display advertising (brochures, posters, etc.).

It is important that when making this decision you analyze what your competition is doing in the field of Marketing. This information is available in the Reports of the Tablet. Remember that you are a new business, so your marketing expenses will not be the same level as company already established in the market with high volumes of sales. It is estimated that for a new company like yours, the investment in brochures should be between \$500 and \$3,500. As your business grows you should be adjusting these investments to maintain a relationship with the sales volume.



## HUMAN RESOURCES OFFICE

On this screen you will decide on the dates and times when the local is open. You also have to choose the number of employees who attend the local.

### 1. Days and Hours:

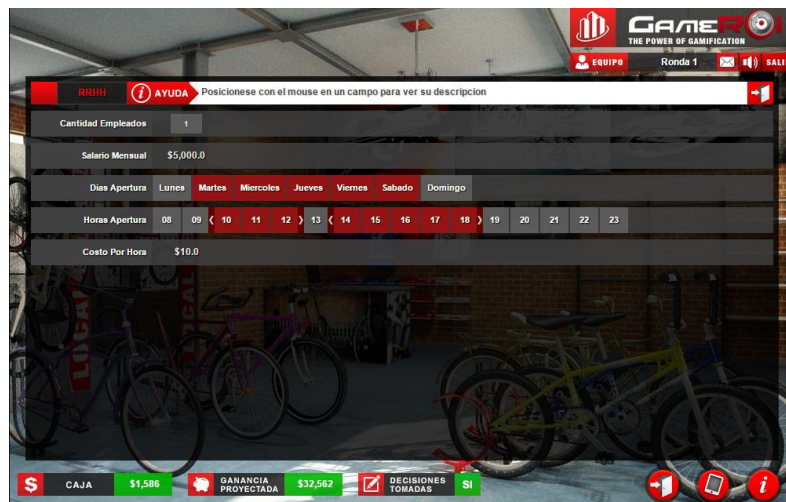
Decide which days of the week will open the local and what the opening and closing hours (these times are the same for all selected days).

It is understood that > opening time > sales, although the days and times of increased activity vary according to the location of your business.

There is the possibility of separating times in 2 blocks. Eg 9 to 12 and 14 to 18. It should be noted that certain operating and maintenance costs (electricity, telephone, water, cleaning, etc.) which are direct proportion to the amount of hours that remains open local.

### 2. Employees:

The labor regime poses a maximum of 40 hours per week of work, so if you want to have the local open more days and hours you should incorporate more employees.



**Note:** A greater number of employees make more attractive your local by reducing the waiting time for customers to be served, but at the same time, increase labor costs. But do not forget that being a new business, initially your local will not have the same number of employees that established competitors. As your business grows, you must hire more people to keep your customer service levels.

### 3. Firing:

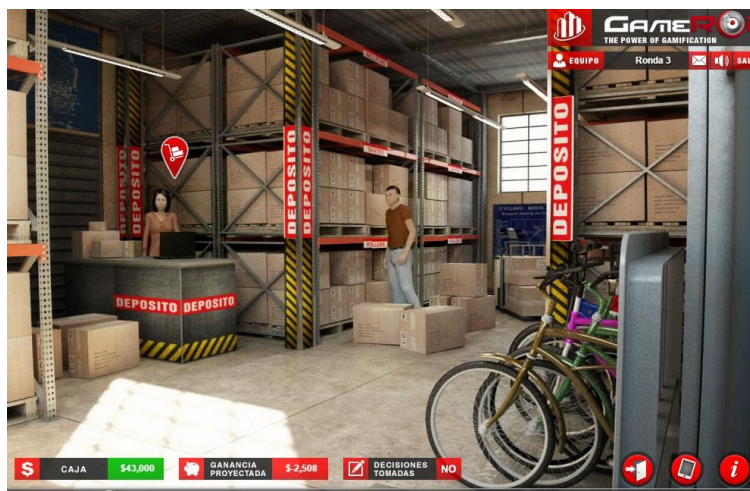
If you want to fire an employee, you should note that the cost of compensation is equivalent to 80 % of their monthly salary, ie \$4,000.

## SUPLIERS

They are located within the City. Here you should take purchasing decisions bicycle, rollers and skates (depending on the round).

There are two suppliers, the first supplier offers a lower price for each product but it requires as minimal purchase a larger lot (25). (You can only access to this price buying a greater or equal to the minimum amount Lot).

The second supplier requires as minimal purchase a smaller lot (10) but offers a higher price for each product.



## BANK

From the second round you will have access to a loan of up \$ 20,000 short or long term. Depending on the type of loan you choose will be the interest rate to be paid.

A loan will you enable to finance your business in this important moment for you in which you need to publicize your products on the market through marketing activities such as advertising brochures or radial pattern means.



## CONTROL PANEL

The information bar below is a summary of your projected monthly management results.



It Includes:

### Cash

It is the cash you have available to invest in the current round.

### Projected Gain

It is the cash you will have available at the end of the current round in case sales projections made are met. If actual sales end up being lower than projected, the actual final box will be smaller or even negative (having to use a bank overdraft).

You have to expect to make all the decisions of this round and, if the deficit persists, you must decide if you try to finance it with the bank or if you prefer to review your decisions to spend less or attempt to sell more.

In all cases, you should be aware that, when entering each round, the projected values are totally distorted because calculating the results of this month with the values of the decisions of the previous month (which are those that are loaded default way).

An example of this, is that when you enter the new round, the system keeps your Marketing investment from the previous round.

### Decisions Made

If **NO** means that there are still decisions you have to resolve for the current round.

To fix this, you can place the mouse pointer over decisions made and the simulator will automatically indicate the remainder decisions. .

**Note:** You can quit the game anytime even if **NO** is in Decisions Made