

Reflection on knowledge gained from business simulation



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1. 0 Introduction

An understanding that a person develops from any kind of work is categorized under an experience that is reflected by an individual in varied forms. Individual reflection in simple is a personal experience working in a team. Individual reflection is one important way to portray regarding ones experience in working in the groups and gives ideas for a better outcome and ways with which difficulties can be overcome.

Many organisations, especially academic institutions pay special attention to gather reflection from their students for various projects to improve the system and standard of education. Likewise, I have also been given the opportunity to write my own opinion and thoughts related to the business simulation program that we students were engaged in after the completion of the taught modules of Masters in Management. Certainly, this simulation project has been a good method of assessment and application of most of the relevant theories learnt in the course.

The business simulation project provided the students with an opportunity to learn, experience professional management practice and implement the theories and business frameworks that were learnt during the taught course and are practised in a real and actual organisation. Kleinrichert (2005) outlines the importance and signifies the understanding of theories for the integration of training of business professionals is an important measure for the study of the education of professionals as decision makers. However simulations can be expensive (Chun-Hung, et. al., 2010).

I was an operational director in this project. Most of my decisions were based on report and research provided by the marketing department. However, its was not an easy task as all the other directors, such as finance and human resource, were strongly connected with the decisions that operations had to take. It was learnt through out the project that marketing research plays a vital role in making most of the production decisions as fluctuations in the predictions as estimated by the marketing research had shown a great influence on my decisions.

Discussed below are some theoretical frameworks that I used as an operational director in the business simulation project in planning and implementing my decisions. Prior to analysis of my experience working as an operational executive, it is equally important to understand the term: operations management.

2. 0 Operations Management

Operations management manages the processes involved in the production and distribution of goods and services. In every organisation operations management is a key performance in producing and distributing goods and services. Certainly this has been acknowledged during the business simulation project.

“ According to the APICS dictionary.., operations management is defined as ‘ the planning, scheduling, and control of the activities that transform inputs into finished goods and services’ (Cox and Blackstone 1998, p. 62 cited in Foster and Ogden, 2008, p. 6946).

Working in the business simulation helped to a great extent in understanding that the role of the operational director is not limited to just production of goods and services, and arguably there are various other areas that needs to be kept in mind when making decisions. For instance, finance, human resource and marketing decisions can not be taken into least importance when making operational decisions. This simulation helped in understanding the strong relationship that exists between these departments.

3. 0 Product Life Cycle

The product life cycle is generally a sales volume passing through four stages, i. e., introduction, growth, maturity and decline. According to various authors the profit of the product can be increased by evaluating where the product stands in the life cycle.

3. 1 Critical Analysis of the Product Life Cycle with Experience in Simulation

This theory played a great role in making production decisions in regard to the PLC respectively. There was a point when as an operational executive in the team I decided to produce cars ignoring the product life cycle of that car and found out that this ignorance really left our team with huge inventory and eventually a burden on the finance.

However, product life cycle of every car in the simulation was noticed to be different. Therefore, it was not easy to predict correctly every time where the product stands in the life cycle. One thing that helped in deciding was figure of previous year sales.

Nonetheless, the marketing predictions and stock levels helped me to a great extent in deciding where the product stands in the product life cycle and thus helped in making decisions about production levels for next year.

Product life cycle did help in making marketing and production decisions, but it can more be said that it has different phases which guide us as to what is needed to be done with the product. For instance whether it needs to be re-launched, increased in production or advertised.

The maturity phase in the PLC demands cutting down cost and increases gross profits as most of the competition is levelled. However, it was learnt that it was not possible to cut down cost as well as increase gross profit margins at the same time as with inflation the cost would automatically go up.

4.0 Automation

Automation is controlling the machines with more automatic systems. Where it is said that automation increases productivity and quality, on the same hand it cannot be ignored that automation cannot make up for poor management (Gaither, Frazier, 2002). Moreover, a key issue is determining how much automation to invest into the production system.

However, arguably the author further states that it can not be ignored that improving product quality and product flexibility motivates many companies to make huge investments in automation.

4. 1 Critical Comparison Of Theoretical Automation With Personal Reflection

Distribution of automation and work force was the most difficult part working as an operational director. I do agree with Gaither and Frazier regarding the increase of productivity with automation, however, on the other hand it cannot be ignored that automated equipment is very expensive and managing automation is difficult. Automation can reduce labour and related costs, but in many applications the huge investment required by automation projects cannot be justified on labour savings alone.

It was learnt that automation is a very careful investment as it was seen in one of the years that in correct expenditure in calculation did laid off some workers, which eventually led to more strikes.

Nevertheless for organisations to achieve the necessary productivity increases requires the efforts of all functions. Maintenance is no exception. And automation does demand maintenance and a depreciation value.

5. 0 Productivity

According to Krajewski and Ritzman (2005, 14) ' Productivity is the value of outputs (services and products) produced divided by the values of input resources (wages, cost of equipment, and the like) used.'

Moreover, the challenge is to increase the value of output relative to the cost of input. If processes can generate more output or output of better quality using the same amount of input, their productivity increases. If they can maintain the same level of output while reducing the use of resources, their productivity also increases (Krajewski and Ritzman, 2005).

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However, it is arguable as to how increasing output can be achieved with the same amount of input, as with economic fluctuations it is was experienced in the simulation that it is unlikely that productivity can be increased without further investment. Moreover, rise in inflation increases cost.

6. 0 Analysis of the Importance of the Production Decisions to Marketing in Simulation with Theory

According to various researches the most significant decision of the operational department of any company is estimating and calculating production. Numerous authors have emphasized the importance of connection of production decisions in relation to the sales estimation provided by the marketing.

According to Muhlemann, Oakland & Lockyer (1994, p. 5), “ The relationship between marketing and production functions is critical to the success-that is, the survival- of the whole organisation. The closer together they approach, the greater the likelihood of the success, and it is interesting to realize that at the beginning of any organisation the marketing/production functions are usually carried out by one and the same person. Separation of these two functions or a reduction of their inter-connections increases the likelihood of disaster.”

This interconnection between the marketing and production functions has been experienced to a great extent in the simulation. However, where on one hand it was seen that with proper sales estimation provided by the marketing the production decisions were appropriate and a proper stock level was achieved, on the other hand at several points with incorrect

predictions of marketing estimating or research has led to miscalculation in the number of cars produced, eventually leading to either over production or underproduction.

Nonetheless, marketing was found to be strongly interconnected with operations and it was learnt that if marketing functions are carefully estimated with in-depth research, there is a high chance of accuracy of the operations to be efficient.

7.0 Evaluation of Quality Management

Researchers in operations management have shown great interest in theories related to quality management (Benson et al., 1991). In today's dynamic and highly innovative environment quality can be one important key factor in determining a company's survival. However, it cannot be ignored that with the highly turbulent economic situation people demand products with low price. And it can be argued that quality cannot be achieved without extra cost. And this is what was experienced in simulation that the more attention to quality was given, the more burden on finance was generated.

Yet, on the other hand numerous authors like Muhlemann, Oakland & Lockyer (1994) believes that the reputation fixed and perceived by external environment to any firm for the quality of its products is acknowledged as a mean to its success. Moreover, to succeed in any possible way, an organisation must be devoted to constant development, leaving the consumer with no longer choice between price and quality. Additionally the

author outlines that quality is not only limited to profitability, but vital to business survival.

I do agree to a great extent with the author regarding the importance of quality in business operations; however it is arguable that quality is directly linked with increase in expenditure thereby increasing cost. On the other hand, it was seen in simulation that with tough competition, prices were forced to be set with low gross profit margins, eventually leading to compromised quality. And with intense competition it was not easy to concentrate on quality due to low prices. It was much complicated to work out quality in the simulation than it is said in the theory. Lot of factors were needed to be taken under consideration when it came to improving quality, for instance, investment in training, automation or research and development, proper workforce allocation. There was not a single factor that could have improved the quality alone.

Nonetheless it cannot be ignored that total quality management is a route to advance the value, effectiveness, success and competitiveness of a business as a whole (Muhlemann, Oakland & Lockyer, 1994, p. 108). Yet to some extent it was seen in simulation that in intense competition it's the prices that decided the survival of an organisation and not the quality. As even with average quality our company was able to sell cars due to low prices as compared to competitors.

8.0 Critical Analysis of Individual Reflection Regarding Working in The Business Simulation

Initially on day one it seemed quite boring the whole concept about simulation. However, when the simulation started it actually got really interesting and motivated and as an operational director I could really apply and learn in a practical sense most of the relevant theories that apply in actual real business. Simulation made most of the concepts learnt in theory clear.

Working in a team was a great experience as different opinions were exchanged, however, because as we were five members in a team I couldn't apply few decisions. At this point I would argue to certain extent that I was not able to apply my full capabilities as I was forced onto make certain decisions which my team mates wanted and I was not fully in favour. Nevertheless, as an operational executive I had command on operation decisions and this simulation actually did give a feeling of working in real business

Initially there was a strong conflict in deciding who is going to manage which department. No one was willing to take the responsibility to control the finance decisions, therefore it was decided that we would help each other out and work collectively in making all decisions. Despite of conflict at certain times, however, some of the issues that originated during simulation were eventually handled smartly and most of the decisions were made in a timely manner that affected the outcome of our company positively.

This simulation helped to understand and learn the business plans that are taken for the management of a competitive business project. This simulation gave sound knowledge relating to management decisions in the financial, operational, marketing and human resource areas. Moreover, a sound understanding in the integrations of operational decisions in marketing, finance, quality, production, human resource management and product development was gained through this simulation.

Nonetheless, it was a great way in learning as a continuous feedback was provided on the consequences and results. The tutor used to provide us with brief but useful information, concepts and knowledge regarding the progress and outcomes of the company.

9. 0 Conclusion

The business simulation project helped to a great extent in developing an understanding of the theories, learnt in the taught modules, in relation to its implementation in the actual business world. This simulation actually helped as the groups that just played with the numbers and did not put into relevant theories while making their decisions they actually flunked and their companies failed. So, overall it was a good experience. Though our group did experience difficult time when making certain decisions as every member had a different idea, but generally our decisions in relation with the theory managed us to survive till the end with decent profits.

However many areas and theories of business could not be properly explored in the simulation. For instance there were decisions linked with allocating the work force, inventory management and automation that could have been

better experienced if the university could arrange and provide us with the opportunity to get experience by doing an internship in a real company. Furthermore, issues related to continuous improvement in quality in relation to increase in investments in R&D and automation was not clear. Moreover, as quality demands investment therefore in intense competition and increasing inflation the concept of increasing quality without increasing cost could not be properly understood.

Nonetheless working in the simulation was a great experience to learn and there were generally lots of things that were learnt that could not have been learnt only with studying theory. Moreover, fortunately this business simulation gave me a good and valuable experience working as an operational executive that would positively facilitate me in my career and would increase my future job prospects.