Course Description: The focus of this course will be to take what you have learned in classes and experiences while at Duke, combine that with new learning, and bridge the theoretical and the real-world through the use of a semester long simulation. Through the use of this simulation you will get an understanding of managing a company and dealing with issues in finance, production, marketing, research and development, ethics, labor negotiations, TQM (Total Quality Management), and human relations. This will be done in project teams and through discussion in class. You need to understand that learning in this class will be different than most of your other classes. Due to using the simulation, we will be approximating real life. That means that you are responsible for your own learning. You need to be an active learner much like you would be in the real world. That will require you to be reflective of your and your team’s results, evaluate any issues, and put in place corrective measures. You should view me as your CEO, your coach, your mentor – not someone who is going to just download information to you.

The Capstone Simulation: Most strategic decision making is made in an atmosphere of collaboration and consultation with key executives and colleagues. In this respect the simulation mirrors the real world. Leading, managing, and organizing your team is at least as important as the decisions you make.

“Why do some teams do better than others? Was it their strategy? Experience in the real world? Superior tactics?” This will be the fifth semester I’ve used the Capsim simulation. A few rounds into the simulation, I can make very accurate judgments on what teams will do the best purely based on observing how they’ve set-up their team, how the team members interact with each other, and how well prepared each team member is.

There are two things that will greatly influence your and your team’s performance. First, going through all of the Capsim materials -- the team member guide, TeamMate, the tutorials, the rehearsal - this is your first priority. The simulation is complex; there’s a lot of data to go over – much of which will be unfamiliar to you - and you need to get comfortable with how to manage the execution of the simulation. Every team that’s done poorly in the past has said they should have spent more time in the prep work upfront. Regardless of how smart you think you are, you won’t be able to do well if you try to figure out how to manage the simulation as you play. We rarely read the instructions whenever we buy a new piece of electronics. We figure that it’s intuitive and we’ll reason our way through the device’s use. This is more complicated than the directions for your new iPhone. You owe it to your teammates to do all the prep work. I will be able to follow online your progress through the tutorials and rehearsal.

Therefore, your second priority should be team organization. This includes developing a Team Charter. Effective teams surface more observations, ideas, and tactics than ineffective teams. You might organize as a committee, or you might prefer to assign specific roles to individuals – for example, as product, segment, or functional managers. Capstone is both an individual and a team exercise. Each student must coordinate their decisions with their teammates to arrive at an overall corporate strategy. Additional assignments will benchmark each student individually about their learning progress.

The simulation creates opportunities to examine and use many analytical tools:
- Mission/vision statements/OGSM’s
- Strategic Plans
- Marketing Plans
- Market, Competitor and Competitive Analysis
- Business Models
- Balanced Scorecard
- Product Improvement Plans based on consumer perceptual mapping
- Financial Planning - you will be asked to make investment decisions on capital, manufacturing/process improvement, R&D, marketing; manage your income statement, balance sheet, and cash flow; issuance of bonds, stock, dividends, etc
- Scenario planning
- Human Resources - there is one human resource issue you will need to handle
- Labor issues - there are two labor negotiations that you will need to resolve
- Ethics - you will need to make decisions on 6 ethical issues, with your decisions effecting your business
- SWOT analysis
- Porter’s Five Force analysis
The simulation's website creates an opportunity to explore an important aspect of 21st century management, the "anytime, anywhere" business environment. The Internet has dramatically changed the strategic environment over the past decade. Coordinating strategy and tactics at a distance will be one of the most important issues you will face during your career. The simulation’s logistics will be coordinated using the Internet. Each round you will download starting conditions for the current "year", develop strategy and tactics, make decisions, and upload decisions to the web site before the posted deadline. I’d like at least one of your group meetings to be remote with you discussing your plan through skype, phone, chat, etc. This will mirror working remotely but still being part of team.

Each person is required:
- To make and/or audit weekly decisions in their areas of responsibility
- To actively contribute to their team's strategy discussion and to any homework assignments such as team charters, strategy, success measures, peer evaluations, and the TeamMate tool.

Each team is required:
- To meet to prepare decisions for each simulation round and submit them to the website
- Prepare 2-3 business reviews that will be presented to me outside of class
- To make an oral class presentation at the end of the simulation that explores their strategy and tactics during the simulation and what you learned overall from the class

Peer Evaluation
Three times during the simulation a “Peer Evaluation” instrument will be used to assess both your performance and the performance of your peers during the simulation. Peer Evaluations – sometimes called 360° feedback - are a common tool in the business world. Each team member evaluates the performance of the other team members on a five-point scale of Outstanding (5), Very Good (4), Good (3), Fair (2), or Poor (1). Students are judged by their team members in ten areas of behavior, such as:

1. Attends all group meetings.
2. Contributes useful ideas to solve project problems.
3. Is thoughtful and professional during debates.
4. Is willing to listen to the ideas of others.
5. Attends group meetings and made contributions to team.
6. Overall attitude towards course is positive.
7. Leadership, i.e. provides some type of direction in project.
8. Individual effort in getting things done as assigned.
9. Overall contribution of this person to the group’s effort.
10. Participates actively during group discussions.

Peer evaluations are entered using a link on capsim.com. The system keeps peer evaluations confidential between you, your team members and me. The objective of the confidential peer evaluation is to remind all team members that their behavior and work ethic affect the entire group and they are held accountable for the impact they have upon their partners. You should be objective in filling this out so I can address any issues that negatively affect your team’s performance. Students who have an initial poor evaluation but improve over the semester will get credit for that improvement. I will accept team evaluations at face value but will use my own discretion in judging the objectivity of the evaluations. I will meet with any individual who receives below a 4 rating (1-5 scale).

<table>
<thead>
<tr>
<th>Course Key Learning Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Know</strong></td>
</tr>
<tr>
<td>1. Recognize how strategies are formulated through such inputs as vision and mission statements, external/INTERNAL assessments.</td>
</tr>
<tr>
<td>2. Recognize how inputs (see Know #1) are effectively analyzed to develop alternative strategies</td>
</tr>
<tr>
<td>3. Recognize how strategists choose among alternative strategies (see Know #2).</td>
</tr>
<tr>
<td>4. Recognize how selected strategies (see Know #3) are effectively implemented and evaluated.</td>
</tr>
<tr>
<td><strong>Do</strong></td>
</tr>
<tr>
<td>1. Through research, develop inputs (see Know #1) needed to formulate strategy for a simulated manufacturing firm over a multi-year time period.</td>
</tr>
<tr>
<td>2. Develop alternative strategies for simulated firm based on effective analyses of inputs (see Know #2).</td>
</tr>
<tr>
<td>3. Choose which alternative strategy (see Know #3) is optimal for simulated firm.</td>
</tr>
<tr>
<td>4. Develop techniques to effectively implement and evaluate strategy (see Know #4) chosen for simulated firm.</td>
</tr>
<tr>
<td><strong>Feel</strong></td>
</tr>
<tr>
<td>1. Gain confidence in developing vision and mission statements and conducting external and internal assessments.</td>
</tr>
<tr>
<td>2. Gain confidence in conducting analyses and developing alternative strategies.</td>
</tr>
<tr>
<td>3. Gain confidence in choosing optimal strategy among alternatives.</td>
</tr>
<tr>
<td>4. Gain confidence in effectively implementing and evaluating chosen strategies.</td>
</tr>
</tbody>
</table>
Learning Process Objectives:
1. Become comfortable with the fact that the “real world” does not contain one correct answer and that you will not be in total control of all the variables that impact your success. Instead, organizations face ambiguous strategic threats and opportunities with uncertain organizational strengths and weaknesses that require diverse, analytical perspectives to formulate sound actions to solve strategic problems or exploit opportunities.
2. Show initiative in figuring out solutions to questions and issues by good use of resources - asking me for solutions should not be your first action.
3. Develop: (a) analytical and critical thinking abilities relevant to strategic management; (b) a sense of “knowing what you don’t know” to identify additional information necessary for action; (c) alternatives to solve problems and exploit opportunities; and (d) reacting to results below expected performance.
4. Develop interpersonal skills for effective communication and teamwork within diverse groups.

2. Click on ‘Login or Register, 3. Click on the ‘Student Registration’ button under the Students tab in the Registration box,
4. Agree to the Terms, and follow the on-site instructions to finish your registration, enter industry code C61875. Do this immediately. The first assignment for class is reading material on the website and if you delay and have a registration issue on Monday, it won’t be resolved in time for you to complete the assigned reading. The simulation costs $83.98 and you can pay by credit card. You will need to buy the book “Good to Great” by Jim Collins. You can get it online or at a local bookstore. I’ve also listed some Harvard articles. I will post those and others on Sakai. Also, if you come across some interesting articles or current issues that you’d like to discuss either in or out of class, please let me know and I’ll make sure we cover it.

Course Format: Most of the class will be based around the Capsim Capstone simulation and discussion in class of the weekly results of your company and its competitors. We will also discuss the assigned readings. As class participation will be part of your grade, the expectation is that all assignments will be completed prior to the corresponding class and that this will lead to lively debate and discussion. It’s during this debate and discussion when the real learning will occur.

Grading: The grading will be based on six factors: 1) your team/company results in the simulation compared to your classmates; 2) three peer reviews where you will be rated by your teammates in a number of key areas; 3) three TeamMate evaluations that help understand the functioning of your team; 4) in-depth business reviews that each team will prepare and present to me outside of class time (there will be two reviews during the course of the simulation) and one final review the last week of class; 5) the Comp-XM Basix exam built into the simulation that you will complete at the beginning and conclusion of the simulation; and 6) Course engagement as described below. The grading will be done on a forced-ranking curve. I will rank each team and class participant based on their performance. I will then create either tertiles or quartiles for grades. The grade of the mid-point will be determined by my feeling of overall engagement of the class. If I feel all of you are fully engaged throughout the semester, the mid-point could be an A-. I reserve the right to lower people’s grade off the curve if they aren’t fully engaged.

Course Engagement: There are four parts of course engagement. 1) The first is physical attendance. You need to be at every class unless you have a university approved absence or you contact me prior to class by text, email, or phone. Having to do work for other classes is not an acceptable excuse. Also, attending an employer info session is not acceptable either. Companies don’t grant interviews based on who shows up. So go to the one that means the most to you. I’ve checked this with the Career Center and with Emma Rasiel and they are in agreement. Punctual arrival is expected. 2) The second is mental attendance and class participation. You need to be mentally engaged in the discussions in class. This means paying attention and participating in the discussions. If you are usually a shy person who feels uncomfortable speaking in class, come talk to me so I can help you deal with the issue. Whether it’s here at Duke or in any future endeavors, you’re going to need to be participative, so I will help you achieve this. As part of this: There will not be any phone, texting, emailing, internet or non-simulation computer use during class. I know that some of you use your computer for taking notes during class. Unfortunately, I won’t be able to accommodate you. Also, I expect active engagement with the Piazza – a new question & answer chat tool on the class’s Sakai site. 3) The third is completing with your group the simulation assignment and any other related activities. You need to be a fully engaged partner with your teammates on doing the simulation work. It’s not something they can do for you. Your not fully participating will negatively affect the entire team. 4) The fourth is adherence to the Duke Community Standard. I expect you to do your own work. Also, as there will be group work, you should know that I consider group participants not doing their fair share of work, and thus taking credit for work to which they haven’t fully and fairly contributed, to be in violation of this Standard. Please note, you can’t get an overall A grade without being engaged in the class.

Office Hours: I don’t have set office hours but am available from 10:00am to 11:00pm seven days a week - just give me a call, text, or email (numbers and address noted above) to set-up. I also frequently do flunches and fliners. I enjoy meeting with you folks, discussing the class materials, or helping you with career decisions and preparation.
<table>
<thead>
<tr>
<th>Date</th>
<th>Assignment Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 8</td>
<td>Intro to syllabus, intro to Capstone Simulation in class, personal data sheet,</td>
</tr>
<tr>
<td>Jan 13</td>
<td>Register at Capsim.com, read Team Member Guide &amp; TeamMate tool, go through Tutorials &amp; Rehearsal – all of this done individually</td>
</tr>
<tr>
<td>Jan 27</td>
<td>Capsim Practice Round 1, draft Team Charter &amp; Mission Statement Complete, if you haven’t already, reading Team Member Guide &amp; TeamMate tool, complete Tutorials &amp; Rehearsal</td>
</tr>
<tr>
<td>Feb 3</td>
<td>Capsim Practice Round 2, Harvard articles: <em>What is Strategy</em> &amp; <em>Strategy Under Uncertainty</em> &amp; <em>Strategic Leadership</em> (on Sakai)</td>
</tr>
<tr>
<td>Feb 10</td>
<td>Capsim Practice Round 3, <em>TeamMate Evaluation &amp; Peer Evaluation</em>, Comp-XM Basix exam done individually</td>
</tr>
<tr>
<td>Feb 17</td>
<td>Capsim Round 1, <em>Good to Great Chapter 1 &amp; 2, Final Team Charter, Success Measures &amp; Mission Statement</em></td>
</tr>
<tr>
<td>Feb 24</td>
<td>Capsim Round 2, <em>Good to Great Chapter 3 &amp; 4, Course/Professor Evaluation in class</em></td>
</tr>
<tr>
<td>Mar 3</td>
<td>Capsim Round 3, Peer Evaluation, <em>Good to Great Chapter 5 &amp; 6</em></td>
</tr>
<tr>
<td>Mar 17</td>
<td>Capsim Round 4, <em>Good to Great Chapter 7 &amp; 8, TeamMate Evaluation &amp; Peer Evaluation</em>, Harvard article: <em>How to Market in a Downturn</em> (Sakai)</td>
</tr>
<tr>
<td>Mar 24</td>
<td>Capsim Round 5, <em>Good to Great Chapter 9 &amp; Epilogue &amp; Appendix 8A</em></td>
</tr>
<tr>
<td>Mar 31</td>
<td>Capsim Round 6, Harvard article: <em>Make Time for Work that Matters</em> (Sakai)</td>
</tr>
<tr>
<td>Apr 7</td>
<td>Capsim Round 7, Harvard article: <em>A Manager’s Guide to Human Irrationalities</em> (Sakai)</td>
</tr>
<tr>
<td>Apr 14</td>
<td>Capsim Round 8, <em>TeamMate Evaluation &amp; Peer Evaluation</em></td>
</tr>
<tr>
<td>Apr 21</td>
<td>final presentations</td>
</tr>
</tbody>
</table>