

Escapist Magazine, May 29, 2007 - Biz Sims

by Allen Varney

The biggest game I ever designed had 100 players and 10 referees, lasted three days and got covered in *The Wall Street Journal*. It's OK if you've never heard of my game, *Executive Challenge*. You probably also haven't heard of hundreds of other games like it, produced for decades by a long-established, billion-dollar international game industry dominated by publicly traded game publishers with market caps north of \$100 million.

The makers of business simulation games are **soooo** far off our subculture's radar, they're practically Martians. Yet their target markets - businesses both large and small, and university business schools - are huge and growing. Some of their design techniques would interest jaded computer game designers. What's most interesting, and most worthy of emulation: These biz-sim companies, unlike the blind wizards of videogame development, do research.

But whether you know or care about these simulation publishers, they certainly don't want to know you. The farther they distance themselves from games and gamers, the better they like it.

Should we care? As a matter of fact, yes.

These games differ from conventional stock-market simulations, such as *ASX* and others; from prediction markets; and from "serious" games that inform general audiences about some business issue, such as *Oil God* or *Trade Ruler*. Instead, business simulations model a real company's business processes and issues so its employees can, through play, discover how to improve them: project management, supply chain management, development assessment, ethics and so on. Some games educate employees in esoterica like compliance with Sarbanes-Oxley reforms or *shari'a* (Islamic) banking doctrines. Though almost always multiplayer, these sims take many forms, from board and card games to roleplaying to online turn-based strategy.

You can't just buy these games off-the-shelf. They're all proprietary in-house designs, each owned by one publisher - or rather, one consulting firm. These firms typically run the simulations for their clients as part of a larger consulting package, pitched as analysis and optimization of the client company's particular issues. The field's big money is in customization. The consultants tailor their generic game designs for specific clients in many different industries: retail, high-tech, pharmaceuticals and health care, insurance, airlines, and many more. The tailoring process involves extensive interviews, reading, research and - believe me - meetings meetings meetings meetings meetings meetings. (There are sims about how to run meetings.)

Games can be a good way to analyze businesses, because both are complex systems. Game players, like company employees, take a range of actions to navigate what mathematicians call a "decision space" toward a goal - game victory or business success. Simulations can model this by characterizing the inputs and effects players/employees should learn about, and abstracting the rest.

For instance, many simulations teach coordination and communication. Shortfalls in a complex system can cascade and produce drastic, even fatal consequences down the line. You may know this as the "butterfly effect"; in applying the idea to supply chain management, business consultants use the more dramatic name "Bullwhip Effect." In the 1960s, MIT's Sloan School of Management illustrated this idea with an early business simulation that cast players as manufacturers of a commodity dear to a college student's heart: beer. Forio Business Simulations updated the game and now offers a free online version, *The Near Beer Game*.

Forio is just one firm in the crowded corporate market; others include Celemi, Pantelis, TargetSim, Hall Marketing, Learning Dynamics, PriSim Business War Games and bunches more. A few, like Knowledge Matters, target the educational market. Business Game Factory runs web-based game tournaments.

The market leader is Stockholm-based BTS, the biggest game company in Sweden. Founded in 1985, BTS made \$91 million profit last year; its market cap is 842 million Swedish kronor, about \$122 million. The BTS client list includes lots of Fortune 500 companies (and a few Fortune 10s!).

Would any of these sims interest a hardcore gamer? Wellll, a sports fan might look at *XFL SimWorld* and *Oakland Baseball SimWorld*, both by SBS (Sports Business Simulation). These are educational games about sports as a business. SBS founder Zenophon "Zennie" Abraham created them using Forio's Broadcast engine. (Forio's site offers a Broadcast tutorial.) In *Oakland Baseball*, you evaluate new stadium proposals and their effect on the Oakland Athletics team's bottom line. XFL charges you with rescuing the doomed football league.

Generally, though, it's hard for an ordinary consumer to even get a look at most business sims, let alone play them. Leaving aside the firms who guard their designs as trade secrets, just setting up these games is a costly hassle. My *Executive Challenge* required hundreds of sheets of cardstock, multiple custom-printed card decks, ugly numbers of poker chips, a custom database and a three-hour presentation and run-through. The computer version from Enspire Learning also requires elaborate

setup. Wanna play it? Sure - \$20,000, please.

What's more, these games - though inarguably games - feel different from those we play for fun. These sims are incredibly targeted. They pull you in because they're about **your** job and **your** co-workers at **your** company. When they work right, they engage you at levels you never knew existed, and you hate to stop playing. But they're not meant to be "fun," as such.

In fact, though some of these consultants do let the word "game" sneak into their pitches, "fun" is an F-word. They aim for respectability. And believe it: In this respect, computer game publishers could learn from them.

On their sites, all these consulting companies cite scientific studies of simulations as learning tools. The field has drawn attention from venerable business journals like *The McKinsey Quarterly*, and has spawned its own nascent academic infrastructure, with refereed journals like *Simulations & Gaming* and a scholarly association, ABSEL (Association for Business Simulation and Experiential Learning). (*Simulations & Gaming* provides a [list of simulation bibliographies](#).)

These articles distinguish between effective and poor simulations, describe best practices and summarize case studies with before-and-after metrics. Contrast this approach with the scholarship that gamers endure: either A, wingnut witch-hunts out to validate Jack Thompson, or B, endless publish-or-perish circle-jerks for untenured "[game studies](#)" humanities post-docs chewing over the meanings of "narrative," "narrativist" and "narrativism."

The evidence of these studies shows simulations really can work. An October 2004 *Science News* article, "[Reworking Intuition](#)" by Bruce Bowers, describes the experience of three financially troubled and dysfunctional manufacturing companies - makers of medical devices, industrial products and nuclear fuel rods. Psychologist Lia DiBello ran workers from each company through a two-day simulation. On day 1, they followed their established routine and quickly faced disaster; after devising new procedures, they repeated the exercise on day 2 and performed much better. Then they adopted those new processes for real, with good, measurable results.

Why does this work? Many people define themselves, in part, through their job. To learn new work techniques, they build on what they already know. A simulation puts employees in a novel situation where they see the consequences of their actions and can then redefine their behaviors and their own roles. Just as important, they bond and build paths for later communication. This sure beats reading dopey business fables (*One-Minute Manager*, *Who Moved My Cheese?*, *Fish!*) and attending eye-glazing seminars, known generically as AFTRBs ("Another F---ing Three-Ring Binder"). Learning by doing - what a concept!

But as the *Science News* article makes clear, cultural stigma runs deep. Many companies need heavy re-education before they'll go near anything called a game. The consultants are undertaking this re-education, and good for them. Computer and videogames companies could help. We could sponsor research about our own games, and develop business cases for recreational games in building teamwork and communication.

What's more, we ourselves might learn from these consulting firms. Our field could learn that cooperative multiplayer business games can be profitable and fun.

Sure, there are all those Tycoon games - not only *Roller Coaster Tycoon* and *Railroad Tycoon*, but *Lemonade*, *Fast Food*, *Golf Resort*, *Bass Tournament*, *Skateboard Park*, *Caterpillar Construction*, *Mall of America* and *Shrine Circus Tycoons*, plus three dozen more. (The [Wikipedia Tycoon Game](#) project has gone dormant but includes a game list.) We've seen many other [economic simulations](#) - Trevor Chan's *Capitalism I* and *II*, the *SimCity* series, *Giant* games, *The Movies*, *The Corporate Machine*, the *Settlers* series - and, lest we forget, *Monopoly*. Online, there's *Airline*, *Informatist Open Economics Game* and a few others.

But all these games miss an opportunity. Invariably, these god-games put one single player in charge of every detail of his business; multiplayer scenarios, if any, are head-to-head competitions. But solo play doesn't really simulate the topic, and it can be quite hard. The [Capitalism](#) games, in particular, have a reputation for ferocious difficulty; the player must micromanage everything from purchasing to factory design.

Our economic games could borrow the business sims' more realistic and sensible approach. Like real businesses, the games could allocate tasks to a team of players. This can play really well. Team games require constant social interaction. Financial returns give clear metrics. The different roles in a business have specialized powers and offer interesting choices, all with the same viscerally understandable consequences: Get rich or go broke.

The natural format would be a team-based massively multiplayer online game (MMOG). A business game doesn't need fancy graphics, so a small team could develop it affordably as a [boutique MMOG](#).

What businesses could you simulate? Many of the published *Tycoon* games would make good team multiplayer games. So would running a TV network (buying shows, selling advertising, creating promos) and managing sports teams and athletes as a

business enterprise (scouting talent, weighing offers, offering or seeking endorsement contracts). If real-world business seems too mundane, you could adapt the team-biz approach to medieval magical guilds or science fiction. (The *Jetsons*' "Spacely Sprockets" license is probably still available.)

Even if these particular ideas don't excite developers, there are others that should - but they probably won't. Developers may have trouble seeing the lure of business simulations, until they get to play a good one. That's our loss. For better or worse, business is a huge part of our lives, conditioning our attitudes. Games that exploit this can connect with players in a meaningful way - even, in the best case, open a player's mind to new real-world insights.

In this industry, as in the larger business world, the problem is cultural. We really need a game that simulates the gaming market (something better than *Game Tycoon*, please), and shows how a small developer can profitably appeal to a niche audience. Hey, by playtesting that game and getting good at it, you'd automatically earn the skills you need to make the game succeed! But then you'd have to keep your competitors from playing it, or they'd learn how to steal your business. Wait, my brain hurts.

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