

CAPSIM CAPSTONE ASSESSMENT TASKS

ASSESSMENT #1 - CONTINUOUS ASSESSMENT (10%)

Part 1. Situation Analysis

This assignment requires the completed information from the Situation Analysis.

The Situation Analysis has five areas: Perceptual Map, Demand Analysis, Capacity Analysis, Margin Analysis and Consumer Report. You can divide the areas any way you wish. Choose an analysis that interests you, or if you prefer, assign the tasks based on each team member's functional area:

- The R&D Department can complete the Perceptual Map (new and revised products will not sell if they are not inside a segment circle)
- The Marketing Department can calculate the Demand Analysis (understanding current and future demand levels is crucial for accurate sales forecasting)
- The Production Department can do the Capacity Analysis (understanding the costs associated with purchasing new Capacity and Automation is extremely important)
- The Finance Department can look at the Margin Analysis (cash from operations is factored into the balance sheet)
- The R&D and Marketing Departments can complete the Consumer Report (poorly perceived products can be revised, priced more aggressively or promoted more heavily)

Once the analyses are completed, gather as a team and share the results. Overall, the Situation Analysis will give you an idea of where the market currently stands and where it will go.

Each team member should answer all of the following:

1. On the Perceptual Map, all segments drift to the lower right. Which segment drifts at the fastest rate? Which drifts at the slowest?
2. Each Segment's Ideal Spot shows the buyer's preferred coordinates within the circle. Why is the High End Ideal Spot to the lower right of the segment center? Why is the Low End Ideal Spot to the upper left of the Low End segment center?
3. On a unit demand basis, the Performance Segment is growing at the fastest rate, 19.8% each year. In which round will demand for Performance products exceed the demand for Size products?
4. Explain how increasing First Shift Capacity can reduce per unit labor costs.
5. Automation reduces per unit labor costs but it has two disadvantages. What are these?
6. A product's margin is determined by subtracting its manufacturing costs (labor and material) from its price. Logically, higher prices and lower labor and material costs result in higher margins. Keeping in mind the Customer Buying Criteria, how would you increase margins for a Low End product? How would you increase margins for a High End product? Hint: The criteria can be found in the Capstone Courier Market Segment Analyses.
7. The Consumer Report indicates how customers perceive your product offerings. For example, Reliability (MTBF) is very important to Performance customers. What is the current MTBF for your Performance product? Given the desired range for Performance customers (found in the Buying Criteria) how many hours would it need to be raised to receive an "A" on the Consumer Report?

Deliverables

1. Completed Situation Analysis.
2. A Situation Analysis summary, posted as answers to this assignment.

Part 2. Competitor Analysis

Choose one of your Capstone competitors. Make sure that each member of your team is analysing different competitors if possible. Detailed analysis of your competitor:

1. Give a short description of their current strategic position -- products, segments, plants, capital structure, source of competitive advantage, etc. Consider their product line from a "consumer reports" standpoint.
2. Assess their current opportunities and threats. Given the segments they have settled upon, how big could their sales volume get? What is the profit potential? Can they maintain a competitive advantage?
3. Predict their sales and profits for the ending year of the simulation.
4. Indicate the performance measures this team should use to assess themselves. (Cumulative profit, market share, ROA, ROE, ROS, Asset Turnover, Stock price.)

Part 3. Performance Measures

What performance measures should be used by your stakeholders to assess your company's performance? What are their relative importance to each other?

The simulation offers 8 performance measures:

1. Cumulative Profit
2. Ending Market Share
3. Average ROS
4. Average Asset Turnover
5. Average ROA
6. Average ROE
7. Ending Stock Price
8. Ending Market Capitalization

You will find a brief explanation for each measure on the website under "III. Simulation" "Success Measures".

Prioritize these measures by applying a weight between 0% and 40%. The percentages across all measures must add up to 100%. For example, you might set Profit to 30%, Market share to 20%, ROS to 10%, ROE to 10%, Stock price to 10%, and Market Capitalization to 20%.

Given your measures, the simulation will score all teams to develop a winner by your criteria. Scores are calculated using two methods however you will only be concentrating on the Final Score Relative method.

Final Score Relative: This method also use a three-step process:

1. The system determines a raw score for each category by dividing the team's score ("Team's Value") by the by the highest scoring team in that category ("Highest Value"). For example, if the "Team's Value" for Profit is \$5,000,000 and the "Highest Value" is \$10,000,000, the team receives a raw score of .5 ($\$5,000,000 \div \$10,000,000 = 0.5$).
2. Next, the system multiplies the raw score by the success measure entry. Continuing with the previous example, if the team's success measure ("Team Weighting ") is 12.0, multiplying 12 by 0.5 will derive a "Score" of 6.
3. The scores for each category are added, and the resulting sum appears in the Total row.

Given your company results at the end of Round 2, which FOUR performance measures will give your company the best possible score? You will need to determine the best percentage allocation for each of the four chosen success measures.

ASSESSMENT #2 - GROUP ASSIGNMENT (40%)

Part A

Part A of the group submission is the team's final achievement in the Capsim program. Teams compete over eight (8) simulated years of the business. Each team nominates a mix of performance measures by which they wish to be judged and these are aligned to the team's Strategic Positioning Statement. This will enable, for example, some teams to pursue niche market strategies while others aim for broader market appeal.

Part B:

Each group gives a presentation to a "Board of Directors" describing the company's performance over the eight (8) years and describes their vision for the company five years further on. The presentation will be no longer than 20 minutes and each student must present. The "Board of Directors" will consist of the course coordinator, instructor and all other students in the class. Each group should expect questions from ALL members of the Board.

Final Marks:

The marks for this section of the assessment are allocated on the following criteria:

- Success Measures 30%
- Balanced Scorecard 40%
- Group Presentation 30%

ASSESSMENT #3 - REFLECTIVE REPORT (20%)

Students are required to submit a 1000 word reflection on the course experience. The reflective report requires each student to reflect on the process undertaken across the course. Students are required to reflect not only on the team's performance and the process undertaken but also on the outcome of the peer review process.

Your reflection must include the following sections:

- Team performance - use Team contract as basis for this
- Course experience - this can include decisions you might have made differently
- Peer Evaluation - use the comments from the peer review to form this argument

ASSESSMENT #4 - COMP-XM SUPERVISED ASSESSMENT (30%)

This supervised assessment tests understanding of the Capsim process, decision making skills and knowledge of outcomes based on the decisions the student has made. This is a practical session and is held to conduct supervised assessment where students run the simulation on an individual basis on a reduced capacity.