

SIMULATED ENTERPRISES, A MODALITY TO LEARN STUDENTS TO BE GOOD MANAGERS

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Abstract:

A modern learning style is connected to computers and simulators. In our days students have to learn how to be good managers using this new type of learning. Some projects that are financed by European Union have the target to learn students to use this kind of instruments, to be familiarized with the papers used in enterprises, to make good decisions, to be a good manager.

Key words: simulated enterprises, manager, learn

JEL classification: M12

The proposed theme is consistent with the current concerns of the European Union aiming to create a "Europe of Knowledge" in which students are able to live and operate in a competitive environment based on knowledge. Addressing innovation as a condition of higher economic education adaptation to the demands of modern society, this paper aims to provide a perspective on the use of new teaching methods, to test not only knowledge, but especially practical skills in various business activities from inside the simulated enterprises, offering those interested a reason to support their application in higher education.

The history of Simulated Enterprise or SE at Parow Campus started in 1999 when we were the first public College to implement this methodology.

After donations of office furniture and filing cabinets from Sanlam and telephones from Santam, we were ready to start up our first basic office to serve as space for practical experience.

The methodology of an integrated simulation system application for decision-making support in enterprises is described in this article. The use of visual interactive modeling and animation can help users better understand simulation results, especially those who are not experts. Decision-makers are motivated by the initiation while seeking better solutions for production problems. The method was tested in a medium-sized company in order to improve operational planning and re-engineering. The real process was recorded on video, digitized, and implemented on a PC. Animation of the simulated process, synchronized with video of the real process, was projected in a room to achieve model validation and participant confidence. Operational production plans were simulated using current demands as the basis. Application of discrete event simulation in reengineering is also presented. The article shows how to develop a model, prepare scenarios and evaluate alternatives. Two criteria were evaluated for the alternative: the expected value and the value of multiple criteria evaluation. Model validation and its use for alternative selection are also discussed.

A Simulated Enterprise is a mock company that mirrors the structure, function and operations of a real company, but without real money exchanging hands. This results in a non-threatening learning environment where learners acquire practical skills. Our main simulated enterprise is bounded to touristic activity (a hotel). Additional to

this there is also a touristic agency, a firm of people and ware transport and a ware house, which are used as a support company to trade with.

Here student-employees learn the inter-dependence of departments, the importance of liaising with colleagues as well as safety and security measures and control mechanisms that exist in companies when dealing with money or figures.

They deal with incoming and outgoing mail and petty cash according to the correct procedures.

They hone their communication and inter-personal skills when dealing with visitors. Learners understand the importance of accuracy and cross-referencing documents, for example when receiving stock.

During induction training employees are taught telephone etiquette, message taking as well as operating a mini-switchboard and dealing with customer queries and complaints on the phone.

They are exposed to the use of office equipment such as sending faxes and making photocopies. They also have the opportunity to solve predictable problems with regards to faxing and copying machines.

They use different software applications on computer and, in Quench Emporium particularly, they are taught the point of sale function of Pastel. They also have to learn the protocol of dealing with customers and cash handling procedures when making over the counter sales in the shop.

They acquire valuable life skills like learning the documentation and process for making bank deposits and paying accounts for stock suppliers, purchasing from other SE's, telephone and service accounts.

Through the daily routine of stock control and movement, employees of four different departments have to liaise, correlate information and communicate with each other. Their calculation skills are enhanced and they gain an understanding of the importance of completing documentation accurately as they do a daily stock take, requisition merchandise from the store to the hotel's restaurant, record stock on hand and on order and complete purchase requisitions and orders for new stock.

They learn safety and security measures when moving stock as well as the principles and terminology of display, first in first out, face front and housekeeping.

Activities are generated through memos from facilitators, trading with other simulated enterprises and interacting within departments

Learners are exposed to the process of job applications and recruitment and expected to calculate and understand deductions. Benefits, gross and net salaries are the basic conditions of employment.

A variety of filing systems are managed by learners as they rotate through the different positions.

In the marketing department employees have to master a variety of advertising and marketing communication methods and strategies. They also calculate profits, discounts etc. for promotions and sales.

This combination of knowledge and applied competence or skill is an effective way of preparing the student to gain work-based experience. By equipping learners with hard and soft skills their employability is increased, the induction training period is reduced and, as new employees, they can make a valuable contribution to the company immediately as they complete their College education with a year's working experience.

Practice enterprise learning method is based on applied problem-based learning and learning-by-doing approaches. Student groups are given tasks with initial information and sources for additional information. The students need to apply the information on their own practice enterprise and agree on how to proceed when doing the various tasks. Learning in the practice enterprise context requires the students to take responsibility and initiative in their own learning. The group of students has a tutor,

whose role is to act as a consultant for the group and evaluate the students' performance. The assessment is based on self-assessment, group assessment and process assessment.

The practice enterprise is a simulated enterprise run by students. The students establish a simulated company supported by a real enterprise, called the mentor company, operating in the background to support business planning and to provide real-life information for the start up. The simulated company provides a business set-up allowing the students to participate in order to gain business experience in an as authentic learning environment as possible. The company operates in a simulated business environment like a real company though the products are not real and bank transactions are only on paper.

In a practice enterprise the students divide the roles between themselves to form the organization according to their company's needs. The lifetime of the practice enterprise is divided into five phases: orientation, planning and founding, start-up, business operations closing the books and evaluation. Practice enterprise has been recommended by the European Commission as a teaching method.

In Romania the simulate enterprises are integrated in a national system of simulated enterprises, coordinated by ROCT- Romanian Coordination Centre of Training Firms.

The objectives of simulated enterprises are:

- to familiarize the students with the specific activities of a real firm;
- to simulate real process of the economy that are specific for the real business life;
- to make better the business language;
- to offer knowledge and concrete information about how a real market functions, the importance of developing a career and the impact of the economy on young people's future;
- encourage the spirit of the competitiveness, of the quality and the responsibility;
- to develop competences, skills and attitudes that is needed by a dynamic enterpriser such as:
 - creativity;
 - competitiveness;
 - analytical thinking;
 - taking decisions;
 - to assume responsibilities;
 - team work;
 - to have initiative;
 - adaptability;
 - perseverance;
 - auto-organization and auto-evaluation of self resources,
 - flexibility, etc.

The estimated results of this project are:

- growing the possibility to integrate the graduated students on the work market;
- to reduce the accommodation period on the work place;
- a better adaptability if someone in the case of changing a work place;
- gaining knowledge about specify processes between a company;
- flexibility;

The procedure of creating a simulated enterprise has three stages:

1) Preliminary stage of establishment:

At the beginning of a simulate enterprise, the teachers that coordinates the activity and the students have to attend to some aspects:

- it is recommended to the students to take information from institutes that are involved in the start up of an enterprise as:
 - the Office of the Trade Registry;
 - banks;
 - other institutes related with the employees' activity;

In this stage, taking into account the information they gained, the students have to debate their ideas. These debates have to consider the following objectives:

- to choose the name of the enterprise;
- to choose the logo of the firm;
- to choose the object of the activity;
- establish the social capital;
- nominate the associated persons;
- to draw out the start up documentation according to ROCT requirements.

2) The stage of creating the enterprise itself

The steps of creating an enterprise are:

a) to ask a name reservation – it is need to feel a paper asking ROCT's agreement to use that words as the name of the firm. The students can find this application on the web site of ROCT (www.roct.ro). After filling out the application the students have to email it on the address name_of_the_firm@roct.ro . After that, they have to attend to receive the answer.

b) to draw up the start up documentation- that means to fill a documents that contains information about the enterprise. The teacher that coordinates the activity has to verify if the papers are filled correctly.

c) to send to ROCT the filled documents and taking charge of the documents received from ROCT. All the transactions will be operated on the ROCT platform.

3) The responsibilities of simulated enterprises: to notify all the agreement's changes and to send all the operated documents to ROCT.

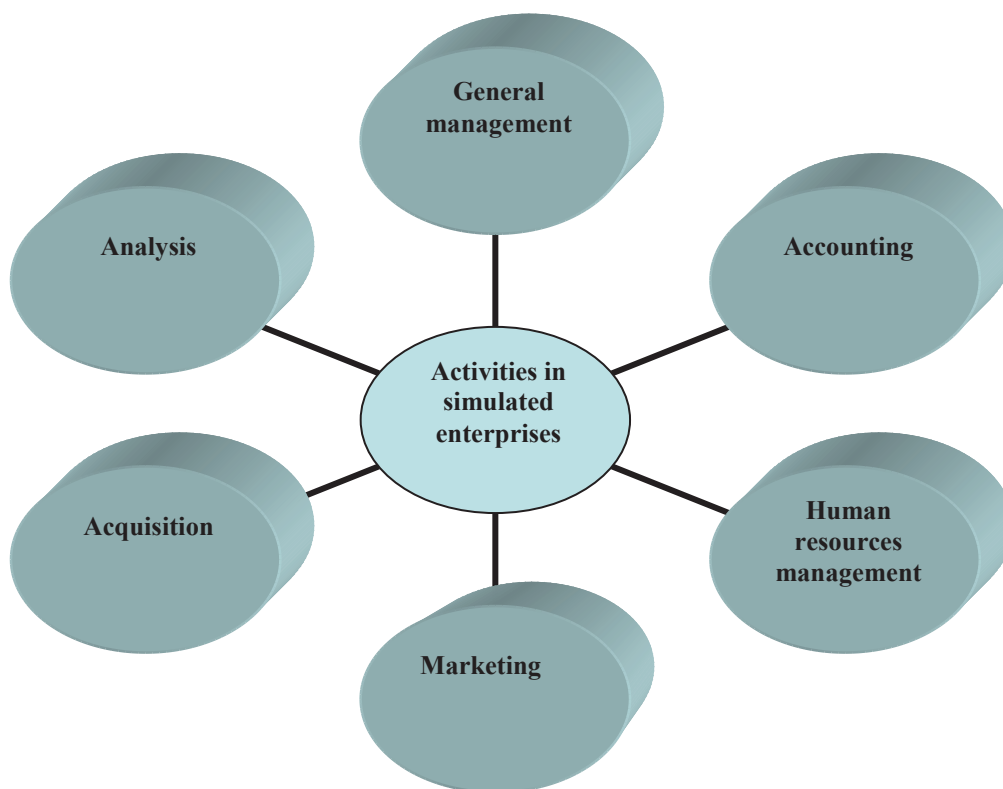


Figure no. 1. Activities that take place in a simulated enterprise

The students will create a site with the simulated enterprise.

The simulated enterprise will collaborate with other similar enterprises from national and international market.

The normal practice enterprise methodology has been adapted to meet the needs of different courses, so that it can be used not only within business studies. Rather than making it essential to set up the practice enterprise backed up by a mentor company, the piloting institutions set up entirely simulated companies. As we saw the study modules already designed focus on selected aspects of running a company: startup, presenting a company, buying and selling and taking part in a trade fair. Further modules could be designed later and added to the existing modules according to the needs of different users.

The benefits and outcomes of ROCT are related to the advantages of the practice enterprise learning method that provides the students practical entrepreneurship experience and knowledge and thus encourages entrepreneurship. The students have to compile a business plan, a marketing strategy, a financial plan etc. and monitor these throughout the fiscal year of their company. In addition to the business skills the students also practice skills in project management, teamwork and communication. Although the money used in practice enterprises are virtual, the customers, web pages, marketing material and documents (invoices, orders, web pages etc.) and all operations are real. In other words, the students carry out real business transactions with real outcomes but without the risk of losing real money.

The ROCT course is also designed to foster intercultural awareness, and specifically has the goal of making students aware of and familiar with different ways of using English as a lingua franca, and increasing their self-confidence in making use of their linguistic abilities.

Blended learning could simply be described as a combination of different delivery methods essential to learning and performance. There is a great variety of possibilities that can constitute a blended learning approach. The blended approach referred to in this context focuses on collaborative online learning design facilitated by tutors, not self-contained self-study learning packages. The blended learning approach allowed students to mix with other nationalities from different countries during their work online.

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The structure of a Practice Enterprise is different because the practice enterprise is a simulated enterprise run by students. The students establish a simulated company supported by a real enterprise, called the mentor company, operating in the background to support business planning and to provide real-life information for the start up. The simulated company provides a business set-up allowing the students to participate in order to gain business experience in an as authentic learning environment as possible. The company operates in a simulated business environment like a real company though the products are not real and bank transactions are only on paper.

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The activities and resources are based on complex and authentic material and involve collaborative learning. They are designed to be easily modifiable and extendable by teachers and trainers according to the needs of a particular group.

Teaching students with new methods as simulated enterprises they will be able to have a better adaptability in real work places. They will be more interested to learn new things and all the knowledge will help them to be good managers in the future.

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