THE WALL STREET JOURNAL.

How-To Guide

Creating Effective Business Simulations

Introduction

The unrivaled coverage of The Wall Street Journal is available anytime, anywhere on WSJ.com and WSJ mobile and tablet apps. See how Raúl Sánchez and Dan Bullock, Professors at New York University School of Professional Studies, use the Journal to keep class discussions moving in the digital world.

Building an Effective Business Simulation

Professor Sánchez and Professor Bullock use WSJ as a valuable resource for creating real-world simulations. Simulations are transformative tools used to train participants in linking abstract concepts to real-world conditions, with the ultimate aim of developing business communication skill sets across professional disciplines. Each scenario must have multiple built-in layers and variable outcomes in order to simulate actual situations—the ultimate goal being the transfer of knowledge to new authentic contexts.

Effective simulation activities connect theory to practice, allowing participants to develop problem-solving skills while actively applying course concepts in a pertinent context. Ultimately, simulations help their students enhance business communication skills in a controlled, risk-free environment.

Common types of professional training simulations they use include:

- Strategic Negotiations
- · International Business Deals
- Conflict Resolution
- Risk Management

Below is Professor Sánchez and Professor Bullock's four stages of effective simulations:

Stage 1 - Situational Background: First, provide participants with a general overview of the context surrounding points of negotiation, dispute or collaboration between groups, either as a written class document or brief lecture material. The scenario should be based on an actual situation between two or more entities, where students must engage in advanced decision-making and problem-solving skills.

Stage 2 - Confidential Team Information: Then, provide specific instructions for the scenario tailored to each team. Materials may be confidential between groups as these documents can outline key information to guide decisions and enhance unexpected points of disagreement or newly discovered shared interests in the simulation.

Stage 3 - Active Engagement: Inform participants that they must actively engage in the simulation to benefit from the exercise and build relevant higher-order communications and business skills (e.g., critical thinking, analytical reasoning, argumentation, teamwork, public speaking, leadership, and problem-solving).

Stage 4 - Large Group Debriefing and Reflection: Lead a post-simulation discussion for students to reflect on results, key concepts, underlying motives, applied theories, outlined solutions, and alternate approaches to intended outcomes.

*Scaffolded Materials: Keep in mind principal considerations regarding diverse learner groups when selecting topics for simulations, such as mixed-proficiency levels of participants, cultural sensitivities, prior knowledge and group size. For this reason, you may consider preparing a Novice set of materials and an Advanced set of materials for a simulation with distinctions pertaining to terminology, span of concepts and incorporation of theory.

Instructor Preparation

Simulation Materials:

How to Select WSJ Articles

When archived over time, a collection of WSJ articles can represent a full range of perspectives on a topic, including an extended intercultural analysis of both domestic and international company trends. Professor Sánchez and Professor Bullock's focus when selecting WSJ articles for a simulation is to collect those that contain varying headlines, quotes, facts and opinions that complement a rich simulated experience pertinent to company performance, market share, negotiations and industry expectations.

When selecting articles for effective experiential simulations, Professor Sánchez and Professor Bullock choose content that positions participants on different sides of an issue with competing perspectives so that they can engage in the process of creating solutions to complex tasks. They search for articles with divergent opinions, perspectives, and solutions. Often in the real-world, contemporary discourse starts with WSJ as the source of news and information, and thus, they find that this content naturally leads to analysis and discussion that can be positioned for developing simulations focused on applicable problem-solving. In that process, participants can be assessed on their problem-solving skills in relation to challenges, consequences, and decision-making capabilities under monitored conditions.

When designed in relation to experiential learning, simulations function as a hands-on activity where participants are "learning by doing." Participants can put themselves in the positions of thought leaders to actively explore, strategize, and execute hypotheses and attain a dimension of real-world experience pertaining to overall economic, societal, and geopolitical pressures in today's globalized economy. Participants can also put themselves in the roles of company teams or other professional stakeholders.

Professor Sánchez and Professor Bullock suggest that the use of WSJ in this way as authentic content and real-world material should be needs-based, individualized, and relevant. In the simulation process, students practice higher-order communications skills, such as argumentation, teamwork, public speaking, leadership, and problem-solving. *Reflection* is also a key final step to the simulation, as this aspect is the most important part of experiential learning.

Professor Sánchez and Professor Bullock use the below questions to identify WSJ articles for simulation materials:

- Does the content focus on company challenges and how thought leaders contend with key issues?
- Does the content follow specific companies and describe trends that affect company performance?
- Does the content contain company disputes or companies with competitive elements?
- Does the content contain company merger/partnership possibilities, acquisition information, or details about companies with cooperative interests?

Simulation Assessment:

How to Evaluate Students' Performance

When assessing simulations, Professor Sánchez and Professor Bullock ensure that the activity is aligned with course learning outcomes, whether of a particular unit or the overall course. Then, they structure formative and summative assessments accordingly in terms of how participants' applied key concepts and theories to problem-solve the real-world issue at hand. Furthermore, the assessment and debrief process should encourage participants to reflect on the consequences of their decisions, both positive and negative. When students analyze the different ways individuals and groups evaluate situations, navigate communications, and negotiate, they gain more insight into hypothesizing decision outcomes and long-term goals in the real world.

When assessing simulations, Professor Sánchez and Professor Bullock suggest to:

- provide participants with clear parameters that align the simulation with the unit or course learning outcomes
- include elements that evaluate the authentic and real-world aspects of the task
- provide clear and explicit instructions regarding student expectations
- include elements of formative assessments (e.g., various evaluations or checkpoints during the simulation to assess how students are learning) and summative assessments (e.g., a final evaluation after the simulation to determine what students have learned)
- accommodate the needs of all learners by scaffolding simulations when needed and preparing additional materials that break tasks into more manageable parts
- include the session debrief as part of the assessment and evaluation
- provide clear and explicit feedback; use documentation as a form of simulation feedback via written form based on in-class performance and class discussion, or use a recording of a class simulation as a basis for feedback in order for students to monitor their own progress

Professor Sánchez and Professor Bullock use this rubric criteria to assess communication competencies, which includes measuring students' ability to:

- organize thoughts and express opinions clearly
- apply topical concepts and tactical awareness
- structure persuasive arguments and rebuttals
- manage points of contention and de-escalation
- create value and foster relationships
- make inferences and discern interests from positions
- reflect and reassess strategies to achieve agreement

Appendix

Sample WSJ Negotiation Simulation:

Apple and Huawei

Overview of WSJ Negotiation Simulation: Apple and Huawei

Below, is a model negotiation simulation which illustrates how to take WSJ news stories about a notable company (Apple) and reframe the content in an interactive simulation with another company in relevant industry news (Huawei). Negotiation simulations, in particular, require additional aspects that position companies in adversarial situations with competitors in terms of scalability issues, funding, consumer demand, supply chain systems, management structure, and more. However, the ultimate goal is for students to reposition divergent interests between Apple and Huawei in ways that build toward win-win mutual gain agreements.

As an intercultural negotiation simulation, this model allows students to explore different cultural communication styles and also use WSJ articles to engage in problem-solving regarding key issues, such as the worldwide creation of 5G technology and networks.

Instructor Preparation:

- Identify key quotes, statistics, and information from WSJ article(s) to develop a situational background of the negotiation context
- Outline points of potential negotiation, dispute, and collaboration
- Prepare team instructional materials that contain key positions
- Create a negotiation flowchart that students will use for the negotiation process; the flowchart should provide a clear negotiation structure, while still leaving room for spontaneity, alternative solutions, and creativity.

*Assessment criteria should also be made explicit to students and may include the use of varying negotiation concepts, such as: turn-taking, making offers and concessions, identifying needs/wants, information-gathering techniques, and creative appeals

Materials:

- WSJ Sample Articles:
 - U.S. Pushing Effort to Develop 5G Alternative to Huawei by Bob Davis and Drew FitzGerald, February 4, 2020
 - Huawei's Phone Sales in China Get Patriotic Boost by Dan Strumpf, April 4, 2019
- Large Group Situation Background Presentation Slides
- Confidential Group Information Cards (for Apple group and Huawei group)
- · Negotiation Flow Chart Handout
- Debriefing Question List



Lesson Plan:

Stage 1 - Situational Background

Place participants in teams as either representatives of Apple (U.S.) or Huawei (China), both major producers of smartphone technology. Provide the entire class select WSJ articles to read (such as the two sample articles above). The confidential team information will come in the next stage. Essentially, Apple is in discussion with Huawei to buy high-speed 5G chips to power the next iPhone. The latest next-generation 5G technology promises more digital bandwidth to offer consumers faster internet, high-quality video streaming, and more mobile gaming.

In the large group discussion, make students aware of the following target goals before the simulation:

In this simulation you must:

- Recognize cultural styles to develop intercultural communication skills
- Identify the needs/wants of both sides of the negotiation (in terms of key positions and potential areas of cooperation)
- Frame open-ended questions for information-gathering
- Make inferences during team negotiation planning periods to frame both party's positions

Stage 2 - Confidential Team Information

Now, divide the two teams of participants into separate parts of the room or into online breakout rooms and provide each group with specific confidential instructions regarding their team's position. The instructions can include such information as: points of negotiation, dispute, collaboration, concessions, key advantages, and other important considerations. Make sure each team's confidential instructions contains points that are diametrically opposed or counterpointed as needed to help structure an effective negotiation discussion. The overall goal is to outline clear negotiation parameters, strategically gather information about the other party's needs and wants, and creatively arrive at amenable negotiable terms and conditions that serve the interests of both parties.

*Below are sample confidential cards with instructions for each negotiation team.

Group 1: Apple - Confidential Team Information

You have not yet released a 5G-ready iPhone, and Huawei is a key partner for you since the company is looking to gain an advantage in the U.S. market

Since Huawei is a major provider of 5G chips, the company may appear to have situational power in the negotiation, however, you feel confident in the amount of market share you have in the U.S. and you should strategically position this information when asking for a discount

Sources say that the Chinese government has subsidized Huawei and blocked foreign competitors in the market space; you are aware of recent 5G bans in the UK and other countries regarding security concerns

Focus on being clear and concise with demands; develop creative offers which build toward cooperative outcomes; incentivize Huawei by providing key benefits to profit margins and forming a strategic partnership

Be cognizant of cultural nuances and the communication styles between the low-context cultures (task-based, direct – in this case the U.S.) and high-context cultures (relationship-based, indirect – in this case China); approach Huawei in a low-context manner, then apply your knowledge of cultural communication styles to enhance your responses in further communication

Maintain your position by "holding your ground" until an appropriate discount is offered to your liking; consider the needs and wants of your client Huawei and integrate this knowledge in order to build toward a win-win agreement

Group 2: Huawei - Confidential Team Information

You have used 5G chips exclusively in your smartphones and other wireless devices, but remain skeptical of leasing this technology to other competitors in the telecommunications industry

You remain a major player in the 5G market with the potential to elevate Apple to become a key partner in the U.S.; you may offer a small discount as a sign of goodwill and partnership, however, ensure the discount is small enough to be of low cost to you, while of high value to Apple

You know that Apple has actively and unsuccessfully been pursuing partner companies to create 5G networks and that you are an optimal partner; data shows that 5G architecture and infrastructure is in the preliminary stages and still faces many developmental obstacles as news of the 5G ban in the UK stems from security concerns

Acknowledge Apple's demands, but propose that Apple purchase 5G chips in bulk if a higher discount is to be considered; stress that forging a long-term relationship with clients is important to you in order to demonstrate to Apple your value for client partnerships

Encourage more formal negotiation etiquette while being mindful that Apple may differ in communication style; remember low-context cultures are task-based and direct (in this case the U.S.) and high-context cultures are relationship-based and indirect (in this case China); approach Apple in a high-context and implicit manner

Consider Apple's needs and wants when building towards a win-win agreement, but maintain your push for an extra incentive in exchange for offering a discount

Stage 3 - Active Engagement

Bring both teams together in the same classroom or online space and distribute the negotiation flowchart to guide the discussion. The flowchart is merely a blueprint. Make sure participants are aware that they must be creative with negotiation approaches and problem-solving.

Participants then construct part of the dialogue using a flowchart to build more familiarity around the negotiation process. The flowchart provides students support in incorporating foundational negotiation elements, while also providing the freedom to focus on higher-order aspects of negotiation, such as critical thinking, problem-solving and teamwork.

Apple

Offer to buy the 5G silicon chips if Huawei can give you a good price.

Say that your prices are very competitive

Ask for a discount.

Say a discount could be possible if Apple agrees to pay for shipping costs.

Agree, if the discount is attractive.

Offer 4% discount for a bulk order.

Unfortunately, you can't agree, unless Apple provides an extra incentive (be creative!)

Agree or Disagree

Confirm your agreement or propose an

Stage 4 - Large Group Debriefing and Reflection

After the simulation, lead participants in a large group debrief discussion about the negotiation process and expand perspectives on results, intended outcomes, or unexpected points—in other words, clearly identify what went well and what could have been improved upon through the negotiation. Also, include any additional situational possibilities previously unexplored and any actual company news from WSJ that would further inform potential negotiation interests. Make sure to transition between simulation-specific feedback and feedback on larger negotiation practices relevant to future scenarios.

Facilitate the discussion by guiding the reflection through key learning moments. To encourage student reflection, instead of relying on statements, pose questions at various points for contemplation and include key concepts and theories in the phrasing of your questions. Some sample questions may include:

How could more value be created at specific junctures in the negotiation process?

- What types of statements and questions indicate shifts in value-creating (win-win) approaches versus value-claiming (win-lose) approaches?
- How can both parties take more assertive roles while being more culturally sensitive to achieve intended win-win outcomes?
- What types of concessions prompt more targeted offers?
- What lessons can be learned from evaluating alternative outcomes within each stage of the exchange?

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