

Internet as the Effective tool for Managers Education

Josef Hajkr

Ing. Josef Hajkr, MBA Fakulta podnikatelská VUT v Brn_ Technická 2, 616 69 Brno
Tel: 420 (5) 41142694 e-mail: hajkr@fbm.vutbr.cz <http://www.fbm.vutbr.cz/hajkr.htm>

Abstract

The aim of this paper is to present a new approach in the managers education - the use of the Internet. The Virtual Learning Environment (further VLE) could be created under the umbrella of the Internet services . This VLE is going to be used as an support tool for the managers education within MBA study at the Brno Business School. The paper shows the current stage of the VLE development, namely the Internet based marketing strategy game The Global Marketplace and The Virtual Tutorial service. The paper also summarises other IT services supporting the MBA study.

Introduction

Internet has lately become a widely used tool. Undoubtedly can this tool be used very effectively for education purposes. Compared to the traditional models of education which have their limitations (see Fig.1) it is interactive, it supports virtual and team co-operation and last but not least offers the possibility of sharing data. In the last three years we worked hard on preparing a special module within the MBA studies which would be using these trends.

The Global Marketplace as an new SW tool

Many people are fond of receiving new information but only a few of them are willing to get the information from books, learning them by heart. It is more pleasant and efficient to learn in real situations or in the form of a game. For this reason the strategic marketing simulation "The Global Marketplace" was created by the team of specialists under the leadership of Prof. Ernest R. Cadott from The University of Tennessee, Knoxville USA. This game is designed for people who want to study in a new way.

The Global Marketplace is a comprehensive business simulation which illustrates and integrates all functional areas of business. In the Global Marketplace, students start up and run their own company, struggle with business fundamentals and interplay between marketing, manufacturing, finance, accounting and management. The consequences of the decisions which students make are quickly reflected in the simulated marketplace. By studying end user opinions, smart competitive moves, and their own financial performance, the students learn to adjust their strategy to become a stronger competitor. Over the course of the entire exercise, the students understanding of the linkages among the functional areas of business grows at an exponential rate.

The Global Marketplace provides hands-on learning. As such, it is a confidence builder. Students have more ideas and concepts to consider and they understand more of what is said in the primary text and by the instructor. It also prepares them for more advanced courses because it enables them to understand how the pieces fit together as a coherent whole. And, it may reinforce the students' decision to pursue business as a career because they understand better what a business does and what their role in it might be.

The GMP as a tool for Changing Corporate Culture

- Learn how to be business competitive.
- Develop a bottom-line, customer driven mind-set.
- Create new ways of working together across function and location.

Key Benefits

- Develops strategic planning and execution skills within a rapidly changing environment.
- Instils a bottom line focus and the simultaneous need to deliver customer value.
- Develops financial management skills.
- Develops teamwork across functions and locations, opens up new communication links.
- Promotes better decision making by helping individuals see how their decisions can affect the performance of others and also the organisation as a whole.
- Facilitates learning of basic business concepts, principles and ways of thinking.
- Builds confidence through knowledge and experience.

The game description

During The Global Marketplace simulations the participants are trained in creation, realisation and monitoring of the business strategy. This simulation is practically oriented. The application of business concepts, principles and methods is far more important than any definitions and theory.

Within the game 4-6 firms are created which produce, distribute and sell computers. They start on the market at the beginning of PC production in the USA. The individual firms are competitors.

In The Global Marketplace the participants can work as businessmen. Their task is to investigate the market, identify and evaluate the market opportunity, suggest and realise the production programme, initiate the production operations, monitor both their own performance and those of their competitors and also adjust the strategy and policy to market development. All the decisions are made in relation with limited financial resources. The cash flow management is the crucial condition of the success.

This simulation is so complex that it requires team work to reach the success. The basic tasks of the individual teams are to get and to maintain a certain market share within the given market segment (according to the structure of customers and the location). The next task is to influence the quarterly demand for products.

Game process

At the beginning the players are entrusted with the power and responsibility and they choose the name of their company. The firms have disposal of their own funds to start with. These serve for the company establishment and for the basic steps. The team builds a factory, locates it within the USA, decides about the fixed and operational capacity and then places an order for a market research to an external company (game administrator). Then it is necessary to suggest the strategy of the company according to the market research and to apply it in other tactic and operating suggestions.

What does that mean? The team has to design a product which would meet the customers' needs, open certain number of shops, determine the price policy, focus on the optimal markets and suggest promotion.

In the next stage the firm needs more financial funds for the further development of business activities. The team of managers must therefore make a business plan which is then used for negotiating with investment companies. These companies invest money into the business according to the business plan and the results of negotiation. After that the team of managers can invest these funds to further company development. For their company it means especially an increase in industrial capacity, possibility to open new shops, promotion investment, further rise in productivity of labour, development of new technologies and of course investment to the quality of products.

Game administration

The data exchange within the simulation is also very interesting. In practise there are three ways of data exchange between the teams and the evaluating centre. The easiest way is to swap diskettes. Another possibility is to use a local net. The last and at the same time the new way is to exchange data by Internet. Using Internet within the simulation brings new features which result in real internationalisation of the game. In this case, the teams are not just from different countries but even from different continents.

Thanks to current possibilities of Internet (and in the future especially its most progressive service World Wide Web) there appears the possibility to continue the development and to run the simulations in networks.

The Global Marketplace game is a very complex simulation which produces quite a large amount of data. A model in SW Executive Information Systems (EIS) is prepared for the analyses support. In this case two types of SW "Forest & Trees" and "Media" are tested. The usage of specialised SW for the evaluation data support seems to be an effective direction of simulation development. According to the experience teams can save some time while doing analyses with the support of this tool. This form of EIS usage also helps the managers to understand the importance of SW support.

We have been using this game for the past three years within our MBA programme. It is notable that according to our student survey this particular module is one of the those with very high scores

The Virtual Tutorial as the first part of the VLE

During the last year we also started to implement the first part of the future Virtual Learning Environment.

This decision was also based on our own survey among the MBA students at the Brno Business School.

There is an interesting change between last two years surveys.

Only 10 per cent of the students from the two groups in which we carried out the research does not have any access to the Internet. However, 92 per cent of our informants are familiar with the services of e-mail. It is also interesting to look at the comparative diagram below (see Fig. 1) in which the present students strongly indicated their interest concerning information about individual modules as well as tools and articles.

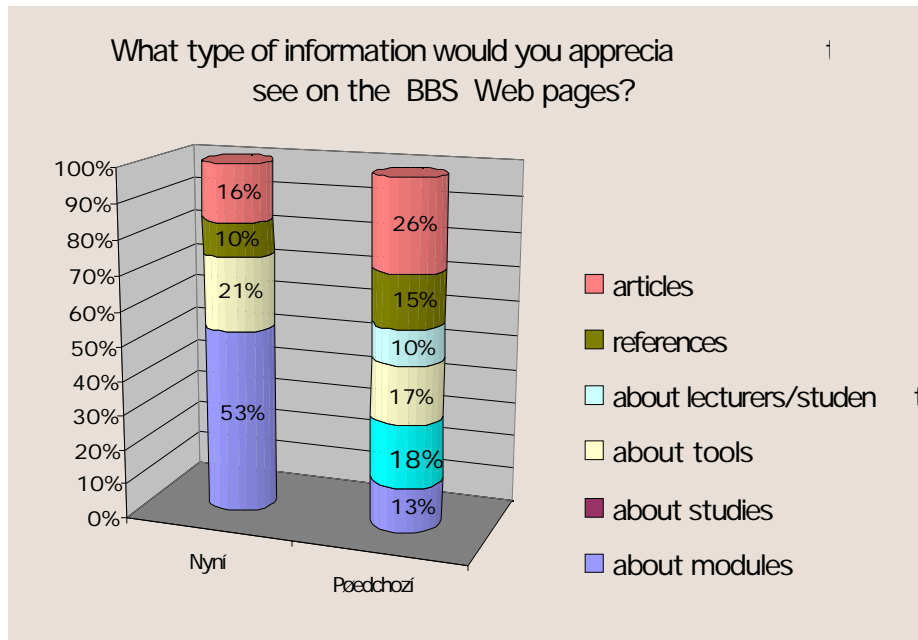


Figure 1

According to the next diagram it is clear that the students have deeper understanding for this kind of information and for this kind of WWW support (see Fig.2). At the same time they are not more conservative about the communication with the help of the WWW pages and/or e-mail. 82 per cent of them gave an positive answer on the question whether or not they combine both services.

Will the WWW support of the study cause any changes?

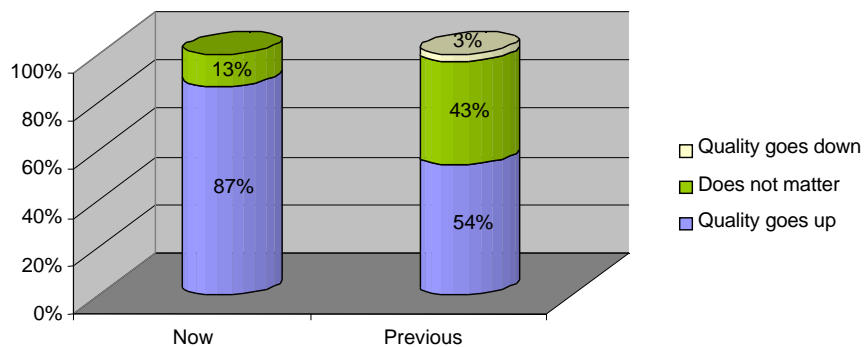


Figure 2

The following figure shows clearly what potential needs students have when communicating virtually (see Fig.3). They have shown most interest in the FAQ and also the abstracts of the individual modules which supports my argument about meaningfulness of the whole WWW support of the MBA study.

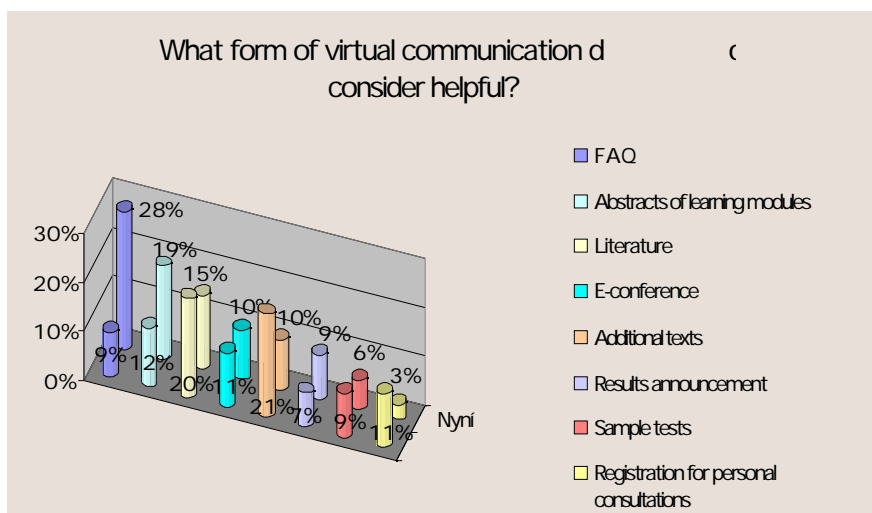


Figure 3

The Virtual Tutorial - interactive service

We decided to create a new service named the Virtual Tutorial. The service supports communication between the lecturers (administrators) of MBA studies and the students. This service integrates two of the Internet services: WWW and e-mail. Its fundamental feature is the database application in MS SQL. On this basis the database of questions and answers will be generated which provides the user with a number of possibilities. Using the service will save time (both of the students and the lecturers), will reduce the administrative costs, and will also increase the goodwill.

Virtual Tutorial - the principle of the service

Each MBA student and each lecturer have their name and password in the system. The student will log in the system through the WWW service. There they can look for answers to their questions (answers sorted by the year of studies and modules or with the help of browsing). If they do not find an answer they can send the question to the lecturer/administrator right from the system). The question is then included in the database of questions and the lecturer is informed about the question through e-mail.

The lecturer will start the application in an easy way. They will log in the system and can answer the question. The answer is then also included in the database and sent to the student through e-mail. The lecturer can choose whether the answer is to be included in the database or not. Once the answer is in the database the lecturer can alter it or even erase it.

Summary of other IT services

- The methodology of making multimedia case studies has been further improved and the first case study "Jerez" – implemented in the studies
- The WWW presentation on <http://bbs.fbm.vutbr.cz> has been improved – it supports marketing

- The support of orgware has been formed (MS Outlook, MS Project standards- it is used by the whole Faculty
 - The methodology supporting production of CD ROM has been made (the first CD ROM was made on the occasion of the Faculty Conference) – it is being distributed
 - The new software for the MBA studies administration "MBA Student" was made – and is in a daily use now
- Documentation of outcomes

The development of the strategic simulation The Global Marketplace is successfully going on along with the project. The project has been in use in the DMS module BPSM for the third year now and it is also a pilot project testing an intensive support of the studies with the help of IS/IT. The outcomes are properly documented, several articles were published in expert magazines, presented at international conferences as well as in final reports of some projects . Five diploma papers were devoted to the project solution.

Possible way of implementation

- Training of lecturers (on their computers when necessary)
- Presenting the service to the students during modules in February 99
- Distributing handbooks and providing a permanent support

Conclusion

It is obvious that VLE could be used as very interesting educational tool. Also the excellent experience with usage of the simulation within MBA at Brno Business School and the international experience with simulations supported by Internet qualifies us to say that this form of education is very suitable for managers. The simulation of virtual enterprises also enables - similarly to flight simulators - to train behaviour in critical situations while working in teams. This experience can prove to be very useful in problematic situations. The simulation itself can become an important part of a complex educational system.

The simulation can be realised in a form of an intensive weekend lecture but also in a form of a long-term project. Within this project other specialised courses are also included such as team formation, information management, marketing, quality control, control of production, usage of internet, formation of business plans and strategies.

Bibliography

1. Ernest R. Cadotte, Ph.D., Josef Hajkr, Vladimir Chalupsky "[The Strategic Marketing games in the Internet a new way in the management Education](#)" (Mezinárodní konference "Conference on business and economic development in Central and Eastern Europe" ,Brno, Czech republic, January 27.-30., 1997) (EN)
2. Hajkr J. Cadotte E., Tomecek J.,1997 "[Strategic game The Global Place on Internet and its support by EIS model](#) ", (International conference "System integration 97", Praha, ISBN 80 -7079-608-1) (EN)
3. Chalupsky V., Hajkr J. "Use of simulations in the teaching/learning process at the Business and Management Faculty, TU Brno" (Workshop on Teaching Tools and Methods, EAP Berlin 14. November 1997)
4. Hajkr J., Korab V. Chalupsky V." Methodology for Multimedia case studies writing" (Zvaná p_edná_ka v rámci "Doctoral studies program of the Administración de Empresas y Commercialization e Investigación de Mercados (Marketing) Department", Sevilla, Spain 9.6.1998)
5. Cadotte E., Hajkr J., Chalupsky V. 1998 "Managers education supported by the Internet and strategic games - is it the way?" (International conference "Conference on business and economic development in Central and Eastern Europe: Implications for Economic integration into wider Europe" ,Brno, Czech republic, September 2-3, 1998 p. 105- 113, ISBN 80-214-1202-X)
6. Grant: Drdla a kol. 1997-98 " National Network of Eurostudy Academic Centres in the Czech Republic" SJEP 12359-97 - part - MBA with IT
7. Grant: Mall2000+Online Business Beyond the Year 2000 Supported by InCo EU programme 977041 for 1998-2000 period.