Prerequisites: Either (a) EBGN 301 Intermediate Microeconomics, EBGN 302 Intermediate Macroeconomics, and EBGN 303 Econometrics or (b) permission of the instructor.

Course Description

This field session is about the issues and challenges of running a firm in a competitive environment. To build on, and integrate, the content of the courses you have taken as part of your economics degree program, you will participate in the Capstone® simulation as part of the senior executive team of a company. You will be responsible, along with your other team members, for coming up with and executing your strategy with on-going decisions on everything from new product development, to marketing, to finance and accounting functions of your company. In the simulation you will run this company for eight fiscal years. During this experience, you will act as you would if you were a senior executive—you will be rewarded in alignment with your firm’s performance, you will be giving periodic presentations to your Board of Directors and shareholders, and you will be assessing your strategy and performance relative to that of your competitors.

Required Readings and Materials


Grading Criteria and Method

Written, oral, individual and team skills are used within the context of this course. The purpose of multidimensional grading criteria is to provide opportunities to exercise each category of skills, all of which are central to the general manager. Specifically, course grades are determined as follows:

1. Team Participation 20%
2. Initial Board of Directors presentation / report 15%
3. Intermediate Shareholder presentation 10%
4. Final Shareholder Presentation / report 15%
5. Capstone simulation result 40%
Course Organization

Each person will be assigned to a team and run a company within the Capstone® simulation. You will compete against other teams in the field session, which will also be running a company within the same industry in the Capstone® simulation. The project is designed to give you an opportunity to apply insights gained from courses you have taken to effectively make strategic decisions for a company. This is an excellent means for you to formulate and implement the strategy for a company.

You will be evaluated in three components:

1) You will receive points for your level of individual engagement in the simulation as evidenced by individual exercises prior to the live “game”, and your teammate’s assessment of your participation in the simulation.

   **20 total possible points**

2) You will make three formal presentations during the course of the semester. The first one will be immediately preceding your first set of decisions for Capstone. This presentation will be made to your Board of Directors and should focus on the strategy you have developed and intend to follow throughout Capstone. Prior to your presentation you will also need to submit a report outlining (max 4 pages) your companies intended strategy. In your report and presentation some things to consider include:

   *What position do you seek in the marketplace?*
   *What will differentiate your company? How will this lead to superior performance?*
   *What is your plan for getting there? How will you reach that position, and under what timetable?*
   *What trade-offs are you making? What are you deciding not to do?*
   *How will you create fit among your whole system of functional activities (e.g., marketing, finance, production, R&D, and HR).*
   *How are you organizing your top management team? What roles is each person performing?*

The second presentation will be to your Board of Directors as well as your shareholders. This presentation will take place after the first four rounds of the Capstone simulation have been completed. You should present an analysis of what your starting strategy was, how it is evolving, how effectively you think you are executing your strategy, and how your strategy and tactics compared to those of your competitors.

The third and final presentation is at the end of the simulation. You should present an analysis of your initial strategy compared to your strategy at the end of Round 8, comment on how your strategy and tactics evolved over the course of Capstone,
assess the strengths and weaknesses of your strategy and execution abilities over the course of the game, and comment on what you would do moving forward if you were to continue running your company. At the time of this presentation you must submit a written report (max 6 pages) that provides supporting details for your presentation. This report should make sense to someone who has not attended your presentation. It serves as a written record of what you learned during the game.

All presentations will be evaluated based on the level of detailed understanding you demonstrate about the Capstone simulation as well as your ability to integrate economic concepts into your actions.

**40 total possible points (15 points for the first and third presentations/reports and 10 points for the second presentation)**

3) You will also be evaluated based on your actual performance in Capstone. You and your team will select which financial performance criteria your company wants to be evaluated on (e.g., ROS, ROA, stock price, and market capitalization.) You will be ranked on the dimensions you choose relative to the other teams competing in your industry. You must have a viable company at the end of year 8.

**40 possible points**

**Non-performance of a team member:**
If one or more of your team members is not participating fully in Capstone, don’t wait until the end of the field session to let me know. Please advise me of any problems during the field session. If there is consensus that a team member is not doing their fair share of the work load, this individual may be required to repeat the field session requirement. In order to do this, any final decisions on inadequate team participation must be made no later than June 8th. So don’t wait too long to talk to me if you experience team problems!

**Formal Class Meetings**

There will be five formal class meeting where attendance is required. These will be held in EH 211 from 9:30 to 12:30 (except for Monday May 14th which will meet from 2:15 to 4:15) on the following dates:

**Monday, May 14th 2:15 – 4:15– Introduction and Overview of the Capstone Simulation**

**Friday, May 18th – Situation Analysis and Competitive Strategy**

**Wednesday, May 30th – Presentation to the Board of Directors**

**Wednesday, June 13th – Intermediate Shareholder Presentation**

**Friday, June 22nd – Final Shareholder Presentation**

In addition, you and your teammates will be responsible for making the Capstone decisions by the date and time enumerated in the following schedule.
## Tentative Decision Schedule

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Topic and Assignment</th>
</tr>
</thead>
</table>
| 1       | Mon May 14 | Introduction and Overview of the Capstone Simulation  
Team organization  
Reading Assignment: Capstone Managers Guide  
Assignment: Complete Capstone on-line introductory lesson rehearsal simulation by Thursday night (May 17th) by midnight. Individuals who do not complete the rehearsal simulation on time will have their participation score reduced by 50% and will be assigned to the same team! Team assignments will be announced in class on Friday, May 18th. |
| 2       | Fri May 18 | Situation Analysis and Competitive Strategy.  
Reading Assignment: Capstone handout on “Situational Analysis” |
| 3       | Sun May 20 | Due: PRACTICE Round 1 Capstone decisions must be uploaded by Sunday (5/20) at 5pm Mountain Time. |
| 4       | Wed May 23 | Due: PRACTICE Round 2 Capstone decisions must be uploaded by Wednesday (5/23) at 5pm Mountain Time. Also completed Individual Situation Analysis Worksheet should be handed in by 5:00 pm in EH 328 on Thursday (5/24). |
| 5       | Fri May 25 | Due: PRACTICE Round 3 Capstone decisions must be uploaded by Friday (5/25) at 5pm Mountain Time. |
| 6       | Wed May 30 | Companies present their strategy to their Board of Directors. Note the report is due by 5:00 pm on Tuesday May 29. |
| 7       | Fri June 1 | Due: Round 1 Capstone decisions must be uploaded by Friday (6/1) at 5pm Mountain Time. |
| 8       | Mon June 4 | Due: Round 2 Capstone decisions must be uploaded by Monday (6/4) at 5pm Mountain Time. Also please complete the first evaluations of your team members. |
| 9       | Wed June 6 | Due: Round 3 Capstone decisions must be uploaded by Wednesday (6/3) at 5pm Mountain Time. |
| 10      | Sat June 9 | Due: Round 4 Capstone decisions must be uploaded by Saturday (6/9) at 5pm Mountain Time. |
| 11      | Wed June 13| Capstone Presentations: companies present their performance, assessment of competitor actions, any strategic changes to their Board of Directors and Stockholders. |
| 12      | Thur June 14| Due: Round 5 Capstone decisions must be uploaded by Thursday (6/14) at 5pm Mountain Time. Also please complete the second evaluations of your team members. |
| 13      | Sat June 16| Due: Round 6 Capstone decisions must be uploaded by Saturday 6/16) at 5pm Mountain Time. |
| 14      | Mon June 18| Due: Round 7 Capstone decisions must be uploaded by Monday (6/18) at 5pm Mountain Time. |
| 15      | Wed June 20| Due: Round 8 Final Capstone decisions must be uploaded by Wednesday (6/20) at 5pm Mountain Time. Also please complete the final evaluations of your team members. |
| 16      | Fri June 22| Final Capstone Presentations.  
Final report due |