

# FORCES SHAPING OUR FUTURE

## WHY SIMULATIONS WORK

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### Summary

Simulations work because they allow learners to take the valuable knowledge and skills taught in books, e-learning, and the classroom, and practice applying them in an environment that closely approximates the real world. In addition, well-designed custom business simulations evoke

emotions, parallel the learner's job, offer specific feedback from multiple sources, encompass predictable and unpredictable events, promote team interaction, and encourage creative decision-making and discovery.

Why are simulations so effective? Simulations, unlike any other learning tool (short of actual on-the-job, trial-and-error experience), leverage the many different ways adults learn effectively. When simulations are used properly to challenge participants to practice multiple skills, they

provide an environment in which participants learn through experience. They succeed because there will be something in a simulation that fits each participant's learning style, no matter what that style is.

### Experience Makes the Difference

Experience is critical to any business. Yet it may take a new manager six months or longer to learn about her new company and its operations, sales and marketing activities, human resources (HR) procedures, team dynamics, and so on.

If given the opportunity, however, most organizations would love to enjoy the benefits of the manager's hard-won knowledge, skills, and

experience sooner rather than later, without incurring the time and expense associated with training her over a long period. Experiential learning activities, of which simulations are a subset, allow companies to accomplish just this by accelerating the process, allowing the new manager to acquire the same knowledge, skills, and abilities that she would learn on the job in only days or weeks.

### Value Propositions

Value propositions are a concept that businesses have embraced and use as a driving force to evaluate everything from strategies to resource allocation. A value proposition is the bundle of promises, both explicit and implicit, that a company makes to its customers about the cost, quality, and timeliness of its goods and services in exchange for their money. These are important to

consider when analyzing both the costs associated with buying or building a simulation and the return on investment a simulation might deliver.

Simulations offer a number of value propositions to the three traditional, primary stakeholders in company training programs: training managers, executives, and other business leaders and

learning providers. Training managers always are on the lookout for learning solutions that develop multiple skills and quickly improve overall performance. Executives want the same thing—but they also want to be certain that the learning solution is tied to improving the business.

Learning providers (e.g., training departments or external training vendors) look for solutions that they can develop cost-effectively and that also allow them to meet the goals of both the training managers and business leaders they serve.

## Accelerating Speed to Performance™

One of the most attractive value propositions of simulations is their ability to shorten the time it takes to turn knowledge into skills. Accelerating Speed to Performance simply means that a learning solution is capable of reducing the cycle time (that is, the elapsed clock or calendar time from start to finish) that it takes for employees to convert new knowledge into skills. For example, a learning solution that allowed an organization to collapse the learning curve for new hires would be highly desirable.

Training managers, in particular, see a great deal of value in simulations because of the many skills they force learners to apply and practice. Instead of concentrating on one specific skill for a period of time, simulations force participants to practice several skills at once. This effect accelerates Speed to Performance by allowing trainees to use familiar skills as a base on which to build new knowledge and skills. Simulations also afford participants an opportunity to keep old or seldom-used skills fresh.

Simulations meet the requirements of all three stakeholders.

Business simulations:

- Accelerate performance improvement (or Speed to Performance)
- Serve as strategic initiative tools
- Are viable learning solutions

How else, specifically, do business simulations accelerate Speed to Performance? They teach employees valuable real-world skills, including how to:

- set and achieve goals
- receive and give feedback
- focus on the major issues and not the irrelevant or minor issues
- deal with interruptions and distractions
- work individually and collaborating in teams
- explore alternative options
- deal with stress
- have fun

These experiences are important to training managers and executives alike, because they reinforce the application of multiple skills and the practice of new skills with the goal of accelerating Speed to Performance. Additionally, these experiences all contribute to the realism of a simulation. They pull participants into the experience, allowing them to take an important and active role in running a company.

