

Production Value Chain

“Production Business Acumen Made Simple”

CUSTOMERS HAVE A PROBLEM:

**They need the PRODUCT delivered,
at RIGHT time, at RIGHT price!**

Representing the new management of Production Inc. – the production facility of a large company, participants are involved in managing production while they face tough challenges. The company has limited budget and is pressed to deliver better results.

Participants will understand the overall picture of the organization and how the money are made, then analyze the processes from the financial point of view and plan and execute changes within the current constraints.

Participants plan the next production cycle while optimizing and improving processes and deliver better financial result.

All the participants will understand the financial statements, Balance Sheet, Income Statement and Cash Flow Statement, and the differences of being rich vs. being profitable, being profitable vs. being liquid. Split in teams, participants will also make financial analysis of their actions using different financial ratios.

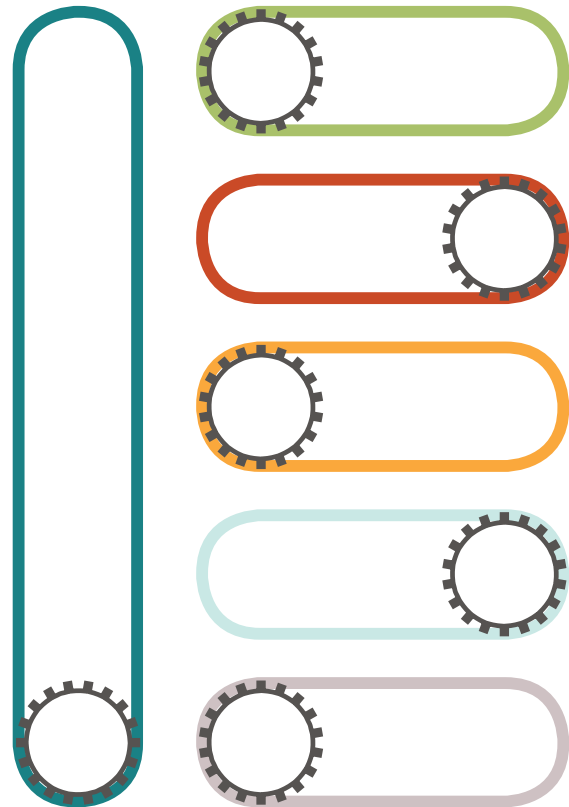
Company employees will experience the real management of the company, developing the sense for improving the business practices and understanding that continuous improvement is the key to success.

CAN YOU SOLVE THEIR PROBLEM?

**Can you plan, organize, produce
and deliver the product on time and
create value for the company?**

Tough decisions challenge the teams:

- Purchase now...or later, expedite?
- Produce now ...or later? What to produce first?
- Pursue all markets segments... or just a few?
- Take the lead... or be an early follower?
- Borrow money... or earn it first?
- Stick to the basics... or pursue the cutting edge?
- Act or react?



Participants about the simulation

“... Participants could immediately see the effect of their decisions on various financial indicators. Pressing “different buttons” in the production helps improve or worsen different indicators. Participants could clearly see that to deliver results, everyone’s work has to be synchronized with the rest of the employees...”

Manager production facility

“... The challenges in the simulation are the same as in our factory. Everyone could see the challenges from the bird view and analyze the impacts to all departments. The seminar helped us to build a better production team and everyone to understand the whole production process...”

Production planning manager

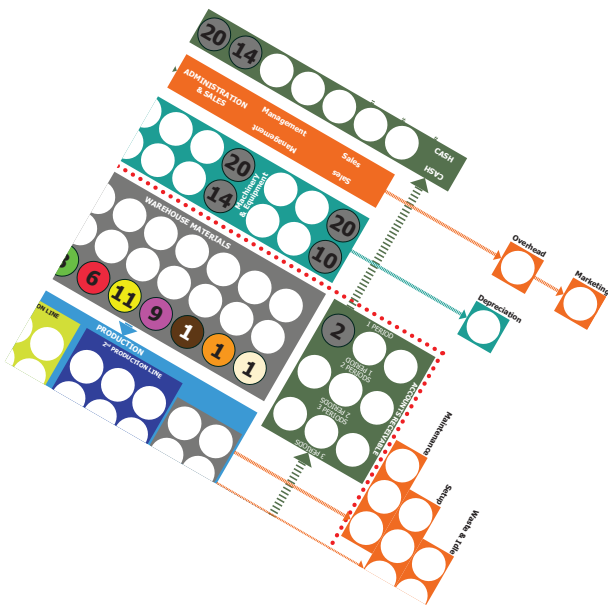
“... Very good learning tool. Everyone could see the importance of everybody’s role in the final results. Good production planning could not only decrease costs, but could “save” the situation with timely deliveries of materials and parts...”

Logistics manager

Learnings

- Sales Forecasting
- Operations Planning
- Budgeting
- Scheduling
- Performance Measurement
- Operational Control
- Analysis, Diagnosis & Decision-Making
- Team Working

Teams learn to better utilize financial statements and financial ratios as planning tools to boost sales and profitability over a 7-year period. Working together, they increase their awareness of the complex nature of inter-departmental financial relationships. And in the process, they understand what it takes to win – as well as how to bring their new skills and insights into reality.



Key results

- Improved productivity through better teamwork, communication and coordination;
- Alignment around the “big picture” and a deeper level understanding of strategy and tactical initiatives;
- Better decisions for optimal allocation of limited resources;
- Increased responsiveness to internal and external customer needs;
- Heightened business literacy and financial acumen;
- Deep understanding of the overall business impact of financial decisions.

Key concepts

Production Planning

- Materials Sourcing;
- Supply chain;
- Six SIGMA;
- Lean Management;
- Just-in-time;
- Resource utilization.

Human Resources

- Training;
- Wage level;
- Capacity utilization.

Finance

- Profit and loss statement;
- Return on Equity;
- Return on Assets;
- Profitability;
- Operational effectiveness.

Staying competitive in a changing market

- Value propositions;
- Pricing and product portfolio;
- Operational efficiency;
- “Red and blue oceans”;
- Market intelligence.

Facts

Material

- Board-based business simulation.

Number of participants

- Up to 6 competing teams. 6 - 30 participants.

Participants

- Managers and other employees in decision making positions.

Time required

- PRODUCTION Management oriented workshop - 1-2 days corresponding to 4 years of operations;
- STRATEGY oriented workshop - 2 - 3 days, corresponding to 7 years of operations;
- Light Version available for 1 day Finance for non finance seminar.

