



BOSCH



Our summer as MARGA board

- A report from six trainees of the „Bosch Junior Managers Program“ -

About MARGA

The MARGA online competition exists since 1971 and is held twice a year by the MARGA Business Simulations GmbH in cooperation with the „Verlagsgruppe Handelsblatt“ and the European School of Management and Technology (ESMT). In this complex business simulation the participants take over all units and functions of a global company. Strategies for Research & Development, Marketing, Controlling & Finance, Human Resources and Production have to be developed and interlinked. The fictive company sells three different products (consumption good, service good and capital good) in four different markets (Europe, Eastern Europe, USA and Asia) which all differ in their attributes and turnover behavior. By making intelligent strategic decisions it is your task to be better than your competitors in each round and to achieve the highest company value after a certain number of periods. In each round the company competes against three other companies to become first or second in each group, which ultimately gives your team the chance to move on to the next round. Especially the direct competition between the teams is highly motivating for all members, because you are playing against real competitors and not just a computer. In the 2011 spring round altogether 426 young executives from 33 different companies took part.

Our team

Our team consisted of six trainees from the „Bosch Junior Managers Program“. Since the relationship between the trainees at Bosch is traditionally really good, we all knew each other and it did not take long to jointly decide to participate at the MARGA competition. Due to our different backgrounds we had a team member in each relevant department. Which meant all our trainees were from a different field so that we had an „expert“ in every function of our company. The members were Juliane Petersen (Programme Controlling & Logistics), Eberhard Schächterle (Manufacturing), Tobias Schelter (Controlling & Logistics), Karsten Schmolders (Research & Development), Dominik Nägele (Technical sales) und Benedikt Geissler (Human Resources).



(from left: Benedikt Geissler, Karsten Schmolders, Juliane Petersen, Tobias Schelter, Dominik Nägele, Eberhard Schächterle)

Our strategy

Freshly promoted to be the MARGA-Board we were spread right from the start on different countries and continents. Nevertheless in our first telephone conference we decided to set an ambitious goal: „Getting to the live-finals at Schloss Gracht“. Still, also our personal goals had to be considered. We wanted to experience the MARGA-motto „learn to win“ in entrepreneurial thinking and acting on board level. This experience combined with team work, the exchange of knowledge and experience and to become acquainted with the other companies and their strategies boosted our motivation over all the rounds.

A special challenge was the location of our team in Germany and the rest of the world. Since we have to be in a foreign country for six months as part of the „Junior Managers Program“ at Bosch, it was clear from the beginning on that we were not going to meet each other in person during the seven months playtime of MARGA. Because of this fact, we were forced to develop a really good organization for phone conferences and tasks in order to get the best possible results despite five different time zones. Especially in the last months of the competition the coordination between Singapore and the USA became really challenging. Since all team members showed the necessary effort and all of us were highly motivated to get to the finals, even a time difference of up to 16 hours proved to be no problem.

In order to reach our goals, a lot of time, full contribution and efficient organization was vital. Of course, to lead our virtual company good controlling-knowledge was crucial, but the relevant understanding of all the other departments was indispensable as well. This understanding is supplied by MARGA through tutorial notes and web based trainings.

From now on, one team took care of marketing and distribution. Especially in the beginning this meant the analysis of all relevant customer-parameters and their collaboration on the different markets. The production planning needed a strong cooperation with the distribution in order to have a perfect machine utilization over all periods and to carry out investments at the right time. Another essential part for our MARGA success was the personnel resort with its well-considered planning and its skilled handling of the scarcity of employees during the vacation period. In the end, our financial team was responsible for the validation of all purposes and made sure that there was enough liquidity over all periods. The MARGA software was really complex and time consuming, especially the logic of the „MARGA Value Added“ in which we had to invest a lot of time to fully understand it, not only the financial team. Luckily, this was an investment which proved to be worthwhile in the end.

In addition to splitting the company into different areas, each team, which consisted out of two people, took care of one of the three products. Since the three product types in MARGA – consumption good, service good and capital good – have completely different characteristics in the market and the production and purchase, each team was able to gain the required experience from the beginning until the finals to make an optimal use of the leverage effects. The identification with the own product and the critical exchange of knowledge between the products proved to be a factor for success.

The exchange and alignment of each team with the corresponding responsibilities took place in a weekly phone conference. We used the Excel exports which we got after each round from the MARGA software to have a common planning guide. Apart from the official MARGA key figures we developed our own KPIs to give us fast and reliable information on our performance in the last period. Relevant for our victory was also our own developed contribution margin tool, which we fed with MARGA figures and which eventually gave us a much better breakdown of the costs for each product. Like this, we were able to evolve a really competitive price strategy and conduct exact calculations for the prices on the “call for tender”.

It was exciting to see how our knowledge and our scope of action at MARGA expanded over the time:

- In the first phase we focused mainly on the products and different markets. We intensively analyzed how each and every parameter operates and reacts with the other parameters while working with regression analysis and mathematical models.
- In the second phase we worked hard to understand our own business. Most of all, we made decisions in order to optimize ourselves.
- The third phase was affected by our competitors. We always analyzed exactly who of our competitors had a strategy, how this strategy could possibly look like and how their reaction might be on the newest developments on the common markets.
- The greatest fun was phase four. We had finally figured out our business, the markets and the competitors in such a good manner, that we were able to aggressively and specifically attack our competitors in order to become first in the group.

The finals

Once we successfully finished the semi-finals and got the invitation to „Schloss Gracht“ our new objective was the victory at the live-finals.

We traveled from Germany, the US, Singapore and Hungary to the finals in Erfstadt. At this point we would like to thank those responsible for the „Junior Managers Program“ who made all this possible.

After the arrival, the finals started with the introduction of MARGA and each team introduced their company. To see who is actually behind the different team numbers and to see who are the thinker and inventors of MARGA, was a great start after a summer based solely on telephone and Netviewer. However, mentally the tension was rising and we were anxiously waiting for the first evaluation and the start of the finals. The final consists out of five periods, the first period had to be planned beforehand and put online. For the other four periods onsite each team had only two hours time for each period.

Afterwards all teams were allocated to individual meeting rooms in which we could organize ourselves with laptops, projectors, flip charts and printer. The first results were tough: We turned out to be third with a minimal residue. Now we had to analyze as fast as possible, use our knowledge on the different products and of course to foresee the actions of our competitors.

After the release of our results, we had the chance to get to know the other participants and MARGA employees better at a common dinner.

The next day started early since we had to play another two rounds until lunchtime. A gripping battle developed itself for all products and markets. Apparently nuances seemed to tip the balance and some already established strategies had to be adjusted permanently. In the last round, our primary objective was to defend the small advantage which we had been able to achieve by now.

After the final release of our plans, the tension dropped and we freely shared strategies and experiences between the teams in an unconstrained final meeting. Probably one of the most exciting moments which was filled with a lot of „aha reactions“. We started with quite a good feeling, but now it became really thrilling: For example, one team reduced the production costs a lot by further training their employees – a lever which we had not considered so far.

The waiting time for the final score was shortened through a gala dinner with many guests of honour from the different companies. And then it became exciting: In an evaluation in the style of “Wanna Bet?” the different bars were growing inch by inch. We were neither fourth placed nor were we third placed. And finally the bar of our competitor RWE stopped while ours moved on a little further! We really did it. We won with a flimsy lead!

Our conclusion

Playing MARGA is challenging and requires time. The game is very complex and especially in the final phase of the game the rivalry is tough. It is more than a unique experience to make decisions out of this perspective and to anxiously wait for the results. Through playing MARGA a lot of connections inside a company became clear, especially the meaning of brave decisions and a flexible strategy. The finals on „Schloss Gracht“ were a worthy climax: The intensive discussions under pressure, the short feedbacks on the consequences of your own decisions and the mutual analysis between all the teams is an unforgettable lesson. At „Schloss Gracht“ we were also able to experience again why MARGA is so special: The team behind MARGA is as thrilled as all participants are and is also doing the same analyses. Becoming first after all the new, practical relevant insights was an extraordinary end of our summer as MARGA boards.

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