

## The MARGA experience

### A report of the ESMT MBA team – May 2013

The MARGA business simulation is a challenge included as part of the full-time MBA curriculum of the European School of Management and Technology ESMT in Berlin. It is set at the end of the second module, as the final test for students to apply the acquired business theories and knowledge from the first three months of the program. In contrast to previous simulations, we did not get any information or test rounds prior to the actual start of our 3-day session, and we were positively taken by surprise by the complexity and sophistication of the simulation.

During the introduction session, the first thought in our mind was, that this time it will be very tough. The simulation asks to make around 80 different decisions from sales forecast in production planning to personnel requirements and finally financial needs, representing all standard operation decisions in a medium-sized company in a very detailed manner. That went beyond most of our experiences, but it also woke up our curiosity and eagerness. Nevertheless, everybody was nervous - it is a competition after all.



The ESMT MBA team with MARGA awards

The MARGA team was a big help during the entire time. Especially in the beginning they helped a great deal to help us find the right entry into the simulation. It is not a surprise that, besides testing our business knowledge, the simulation -- above all -- also tests our ability to organize ourselves and to work together in a team. Obviously, the pure amount of decisions needed to be made cannot be done by the team as a whole all the time. It required us to split up according to certain functions. Each person assigned to a specific function would have the sole responsibility and, even more necessary, the trust of the other team members. This also asks for the ability to compromise. In our case, we found it very helpful to focus on the overall success of the company, rather than falling into the trap of overemphasizing a single function. Thus we were able to avoid long fruitless discussions while we were constantly under time pressure. It also helped to keep the spirit and the motivation high throughout the simulation. Having this common vision, we enjoyed each round a lot, despite the constant stress.

In our opinion, this is also the main take-away. The business decisions for each period in the simulation were definitely challenging and required profound managerial knowledge and skills. But the decision-making process and finding the optimum solution can be seriously negatively affected if strong ego and selfishness are allowed to enter the game. So, even the psychological, emotional, and soft skills components are well-incorporated in the simulation.

Another important point is strategy. MARGA gives quite some options and a lot of data to verify your choices. Unsurprisingly, in the first period we spent the longest time debating and defining our strategy, rather than evaluating the best business decision. But it did pay off at the end and it was another valuable lesson learned. After receiving negative results in the beginning, we had serious doubts about our strategy. However, sticking to it, independent of the competitors' behaviors, helped us to succeed step by step all the way to the final period.

The MARGA business simulation was a very exciting experience. Especially the real-time competitive environment is a perfect setup to test and refine managerial decision processes combined with a true team work experience. Above all, it was a lot of fun.

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