

Simulation-based MARGA Business Case for the Continental Tire Management Meeting 2016

For the 2016 Management Meeting of the Tire division, Continental authorized MARGA Business Simulations to develop a customized business case.

Preparation: Scenario creation and Train-the-trainer

In close cooperation between Continental and MARGA the two business scenarios '2Wheel' (Radial, Moped, Scooter Tires) and 'CST' (Commercial Specialty Tires) were created. Therefore, both the market side and the asset and controlling structure of Continental are displayed in the scenario. In each scenario four international companies are active: Continental as company 1 and three competitors. The basis for the market situation within the simulation are prices, quality levels, advertising and sales force efforts of Continental as well as competitors. The simulated companies in both scenarios are active on three global markets with three different products.

The objective of the business simulation is to manage Continental successfully in the given environment and to maximize the Economic Value Added.

Scenario creation and testing were followed by a train-the-trainer phase: About 10 Continental employees were introduced in the MARGA software and the scenarios in order to support the trainers of MARGA Business Simulations during the event.

MARGA @ Tire Management Meeting 2016

On June 1 & 2, 2016, the Tire Management Meeting (TMM) of Continental took place in Riga, Latvia. Approximately 275 international participants of the tire division spent two exciting conference days. After the lunch break of day 1 it was time for the business case to start. The MARGA trainers explained the tasks and objectives of the business simulation as well as the software and organization to the participants. Then the participants started their team work equipped with computers with access to the MARGA software. The 44 teams (22 teams per scenario) were mixed according to their work areas, regions and functions. They analyzed the initial situation, developed a sustainable strategy and implemented it by operational decisions in the fields of marketing, production, personnel, and finance. Over 3 rounds the decisions of the three competitors were predefined, thus all teams had the same basis and were active in the same competitive environment. After the simulation of each period the top three teams of both scenarios were published in the plenary before the participants continued their team work.

The winning teams

The second conference day ended with an award ceremony and conclusion of the Tire Management Meeting. The two winning teams of the 2Wheel and CST scenarios were celebrated at the plenary stage.

Both winning teams significantly increased their economic value added and came first in their competitive groups. The MARGA Business Case was an inspiring and successful part of the 2016 TMM's success.

