



Phil Young Consulting

New York

Pedagogia Ltd

Oxford



MicroMBA PROGRAM



Introduction

This course is an integrated approach to teaching the main topics in the core curriculum of an MBA program: Accounting, Finance, Strategy and Marketing. In addition, the business simulation used in this course is an excellent vehicle for teaching team-building and leadership as well as business acumen. Examples from a variety of industries, businesses, and countries will be presented to reinforce the learning of the key concepts and methods of analysis. Particular attention will be given to the company sponsoring this program and the industry in which it competes. This course can be delivered over three, four, or five days, depending on the company's requirements.



Outline of Topics to be Covered

(to be adjusted based on specific client requirements)

Accounting and Finance

I Introduction

- A The financial goals of a firm
- B The economics of a business and the consequences of changes in customers, technology and competition
- C The financial dimensions of a business

II Basic Concepts in Accounting and Finance

- A Review of fundamental accounting concepts
- B Elements of the balance sheet
- C Analyzing the balance sheet:
- D Elements of the income statement
- E Analyzing the income statement

III Putting It All Together: Financial Ratio Analysis

- A Ratios of liquidity, leverage and activity
- B Ratios of profitability (e.g. profit margin, return on assets, return on equity, return on capital)
- C The return on assets model (also known as the "DuPont Model")
- D Annual report exercise (using the sponsoring company's annual report)

IV Cash Flow Analysis

- A The measurement of cash and cash flow
- B The difference between profit and cash flow
- C Cash flow exercise using changes in the balance sheet
- D Analysis of working capital and the operating cash flow cycle

V Financial Analysis of the Sponsoring Company and the Industry or Market in which It Competes

- A Key financial ratios of company performance (operating and financial ratios)
- B Key financial ratios that companies use to determine the creditworthiness of potential customers
- C Financial challenges for the sponsoring company and its industry

VI Tools of Financial Analysis (Optional, if time permits)

- A Cost-volume-profit analysis (also called break-even analysis)
- B Discounted cash flow analysis

Strategy and Marketing

I Fundamentals of Strategy

- A Key strategic objectives and decisions
- B Portfolio approach
- C Porter's essentials concepts: approaches to strategy, 5 forces, value chain analysis
- D Selected case studies on strategic challenges and issues
- E Recent developments in strategy (e.g. "Blue Ocean" strategy)
- F Applications to the sponsoring company's strategy

II Introduction to Marketing

- A Definition and the essence of marketing
- B Evolution of marketing from advertising to customer relationships and "one to one" marketing
- C B2C and B2B marketing: key similarities and differences

III Managing the Marketing Mix: the Four Ps

- A Product
- B Place (distribution and location)
- C Promotion
- D Price (pricing strategies and tactics and fundamentals of pricing elasticity)

IV Marketing Segmentation and Positioning

- A Ways to segment a market
- B Positioning in B2C markets
- C Positioning in B2B markets

V Building the Brand

- A Definition of a brand
- B Strategic and financial importance of a brand
- C Brand building strategies

VI Sponsoring Company's Marketing Strategy: Open discussion and possible team projects

“Fantastic learning experience! Inimitable and unprecedented. Best company course that I've ever attended.”

The Business Simulation

AND ITS ROLE IN PROVIDING EXPERIENTIAL LEARNING IN THE MICROMBA COURSE

Brief Overview of the Business Simulation:

An integral part of the MicroMBA program will be an action learning tool called the "The Beacon Simulation." This simulation was designed and developed by Phil Young on the basis of his many years of experience working with a variety of companies around the world. One of the best ways to stimulate interest in financial analysis and strategy and to reinforce the concepts taught in the MicroMBA course is to provide an opportunity for participants to apply what they have learned immediately in a business simulation exercise.

Participants are divided into three or four competing teams. Each team is given the same physical and financial resources to compete against each other over six decision periods. During this time, each team must develop an overall corporate strategy and specific business unit strategies for four products: "Alpha," "Beta," "Chi" and "Sigma." For each product in every period, they must decide on investment in manufacturing capacity, R&D and marketing expenditures, production budgets and pricing within the overall context of their corporate strategy.

The four products that each team produces and sells.

Alpha This is a low margin, high volume product that is forecasted to have no growth over the course of the game. It is somewhat akin to the Boston Consulting Group (BCG) "dog." In consumer electronics, it might be cell phones or laptops.

Beta This product is still in the development phase when the game begins. The anticipation is that when it is finally launched, it will be a "star." In commercial banking, this could be mobile payments. In telecommunications, it could 4G service.

Chi This is a higher margin product that is forecasted to grow slightly every year. It could be seen as the BCG "cash cow." In fast moving consumer goods, it might be carbonated soft drinks.

Sigma This is the company's service product. Managing this product is a bit different from managing the other three products. Rather than investment in capacity, teams have to manage the number of contractors employed and the amount of training each contractor receives. It is a product that is less subject to cyclical forces. However, it has a relatively slim profit margin, because it is labor intensive and labor is relatively expensive. In the IT industry, it could be network management services.



“Amazing program, one of the best I’ve attended!”

Key Business Decision Variables

In every decision period, participants must make decisions for each product’s price, marketing and R&D spending, production level, and capital expenditure. They also have to decide how much to borrow or repay of their outstanding loans. After each team’s decision is entered into the computer simulation, the financial results of their actions are obtained.

Each team receives an income statement, a balance sheet and a statement of cash flows, along with more detailed market information about price, inventory levels and capacities. The interpretation of these financial results and their use in future decisions provide an excellent vehicle for reinforcing all that will be taught in the interactive lecture sessions that accompany the simulation. During the business simulation, participants are able to see immediately what happens to such financial measures as profit margin and return on assets when they make decisions about pricing, production, marketing, and research and development.

Business Simulation as a Tool for Developing Leadership and Team-Building Capabilities

The business simulation exercise is much more than just a way for reinforcing the material covered in the interactive lecture sessions. Our experience in running scores of these programs for companies of all sizes and industries is that the process of setting strategy, making decisions, and monitoring the results is an excellent vehicle for developing leadership and team-building. Furthermore, negotiation, presentation, and communications skills are also greatly enhanced as the participants progress through each decision of the simulation. In our view, it is no coincidence that teams that end up in first or second place in the exercise also exhibit the best teamwork or have very effective leadership among certain members of their group.



Sample Four-Day MicroMBA Program

TOPICS TO BE ADJUSTED ACCORDING TO A SPONSORING COMPANY'S REQUIREMENTS

(Can also be presented in a 3 or 5-day format)

TIME	DAY 1	TIME	DAY 2	TIME	DAY 3	TIME	DAY 4
9:00	Introduction: The Economics of a Business: <u>Lecture/Discussion</u>	9:00	Financial Analysis and the Simulation <u>Lecture/Discussion</u>	9:00	Marketing Strategy <u>Lecture/Discussion</u>	9:00	Marketing Business Case <u>Lecture/Discussion</u>
10:00	COFFEE BREAK	10:00	COFFEE BREAK	10:00	COFFEE BREAK	10:00	COFFEE BREAK
10:15	Reading the Annual Report Key Financial Ratios <u>Lecture/Discussion</u>	10:15	Team Decision #2	10:15	Team Decision #4	10:15	Team Decision # 6
12:00	LUNCH	12:00	LUNCH	12:00	LUNCH	12:00	LUNCH
1:00	Introduction to Simulation Team Decision #1	1:00	Finance Applications <u>Lecture/Discussion</u>	1:00	Segmentation, Branding, Positioning <u>Lecture/Discussion</u>	1:00	Tie-Ins with the Sponsoring Company <u>Lecture/Discussion</u>
3:30	BREAK	3:30	BREAK	3:30	BREAK	3:30	Break
5:00	Business Strategy	3:45	Team Decision #3	3:45	Team Decision #5	3:45	Debriefing of Simulation Summary and Wrap-up

“Never imagined learning would be this exciting, especially finance.”



About Phil Young, Ph.D.

Phil Young is a corporate education consultant who designs and implements seminars and training programs in finance, marketing, and strategy and leadership. He has over 30 years of experience in this area of consulting as a course developer, instructor, and facilitator.

In addition to this work, he recently co-founded Learning Burst Academy (www.learningbursts.com). This is an organization that develops and provides self-directed business courses in a flexible, mobile, and cost-effective format.

He is also a member of the Duke Corporate Education Global Learning Resource Network. *The Financial Times* and *Business Week* continue to rate Duke CE as the world's #1 provider of customized corporate education services.

Phil was a Professor of Economics and Finance at Pace University in New York, where he taught in the MBA program for 25 years. He has also taught in executive education programs sponsored by Columbia University, The University of California at Berkeley, Thunderbird School of Global Management and Cornell University. He has also developed an online course in finance and economics for the University of North Carolina Flagler School of Management. He continues to be an adjunct professor for the Doctoral Program of the International School of Management (Paris).

He is the co-author of a major economics textbook, *Managerial Economics: Economic Tools for Today's Decision Makers*, published by Pearson Prentice-Hall (2009, 6th edition.) The 7th edition will be published in 2013. He is also the co-author of *The Portable MBA in Economics*, John Wiley & Sons. International editions of this book have been translated into Chinese, Russian, and Spanish.

Phil received a B.A. from the University of Hawaii, a Master's degree in International Relations from Columbia University, and a Ph.D. in Economics from New York University.

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Dow Chemical
ITT
Avon
Colgate-Palmolive
Citibank
HSBC
Emirates Bank
And others



About Ian Thomas, MBA

Ian is a recognised expert Management Consultant, Visiting Faculty and Developer of people, teaching business strategy, marketing, sales and business acumen. Through his consultancy and learning & development activities, Ian has advised over 100 large companies and thousands of managers around the world to be more effective in the way they strategise, market and sell.

His extensive experience as a practicing management consultant is supported by a previous international business background gained through senior line management positions in sectors as diverse as pharmaceuticals (TJSmith+Nephew; Johnson & Johnson), automobile manufacturing (FIAT Auto); computers and software (RMplc); the semiconductor industry (STMicroelectronics), and then in 2001 he set up Pedagogia Ltd., which specialises in delivering transformational business learning.

He holds an MBA from ESCP Europe in Paris, and holds Visiting Faculty appointments at leading business schools: ESCP Europe Paris, Euromed Ecole de Management, Marseille, and Antai School of Management, JiaoTong University of Shanghai, China. Ian has also been a member of the Chartered Institute of Marketing (CIM) teaching faculty since 2005 and is a member of the Duke Corporate Education Global Learning Resource Network.

British by nationality, he was born in Kenya and has lived or worked in many different countries including Nigeria, Australia, USA, Japan and Germany and France. He works and thinks entirely at the international level. He currently lives in and divides his time between Oxford in England and Aix-en-Provence in France.

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