



SimVenture *Learning Zone*
Entry Level Activities *Apprentice-3*
Teacher Notes

1. Research	2. Product Design	3. Pricing	4. Marketing Promotions	5. Taking Control
Learning Outcome	Choose a pricing strategy based on the information provided within the Market and Competitor Research Reports			Group Size 2/3/4
				Length 15mins+
Activity	<p>Introduce the activity Explain that in this activity a Target Segment (Engineering Companies) has already been selected along with a product design and selling points that meet the needs of the chosen segment. They will be setting a price for the product that is competitive but will also provide enough profit to sustain the business.</p> <p>Load the scenario – <i>Apprentice-3</i></p> <p>Share the brief Direct the students to the <i>Game</i> menu button and ask them to select <i>View Scenario Briefing</i>. The briefing explains the tasks that they need to complete and the outcomes they can achieve if they are successful. It can be accessed at any time during the scenario for reference. Explain that the scenario runs for 6 months but because of the limited amount of activity involved it can be completed quite quickly. This will give them time re-run the scenario and explore different approaches in order to interpret how the software reacts to different pricing points.</p> <p>Background Information A well designed product and substantial marketing campaign have already set up to produce a reasonable number of enquiries over the 4 months of the scenario. The price chosen will affect how many enquiries are converted into orders, the key however, is to focus on profitability rather than turnover. They will notice warnings about the financial status of the business which are due to the high level of borrowing that this company has taken on. These can be ignored though they do demonstrate the effect of high gearing within SimVenture.</p> <p>Outcomes At the end of the activity each individual/group will be able to see the impact of their decisions and varying levels of success. It may be worth briefly comparing the Price of a high, middle and low achieving group to demonstrate the impact of this variable within the simulation. You may also wish to draw their attention to Credit Control page where they will be able to see the extent to which overdue payments have affected their success, depriving their business of hard-earned cash.</p> <p>Resource Sheet A3-1 requires them to record financial data for different pricing points. This might provide a useful dataset for subsequent discussion. Resource File A3-2 has been completed with a range of outcomes for you to use for comparison if you prefer.</p>			
Resources	Essential Scenario: <i>Apprentice-3</i>		Optional Resource Sheet: A3-1 Resource File: A3-2	

SimVenture Learning Zone
Introductions - SimVenture Apprenticeship
Apprentice 3 – Resource Sheet 1

Use the tables below to record the impact of your decisions as you try different pricing points.

Month	Jul	Aug	Sep	Oct	Nov	Dec
Price	560	560	560	560	560	560
Enquiries	20	26	16	18	10	8
Orders	19(94)	24(114)	16(84)	16(80)	10(54)	8(38)
Profit/Loss	-3,767	3,442	5,777	1,546	2,544	1,284

Month	Jul	Aug	Sep	Oct	Nov	Dec
Price						
Enquiries						
Orders						
Profit/Loss						

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