



INNOVATIVE PLATFORM
FOR BUSINESS SIMULATIONS

Simformer Business Simulation

User Guide



www.simfomer.com

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Simformer Business Simulation: the concept

Simformer Business Simulation (SBS) is a multi-user virtual business simulation environment. It is accessible through any web browser. You can run your virtual company individually or together with other participants.

The company can consist of different subdivisions: from extraction of raw materials to manufacturing and selling the finished goods to end consumers. The simulation offers various types of enterprises.

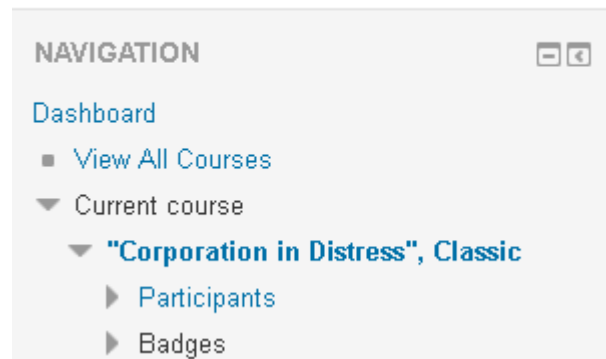
Every virtual company contains all key business processes and functions: HR, production, marketing, sales, logistics, strategic management, finance, supplying, etc.



SBS is not a computer-generated virtual environment: the actions of the participants influence market condition, which in turn, impacts the actions of the participants. SBS participants are real users, who interact and collaborate in the virtual environment; they buy and sell to each other the products and services.

Sign in to Simformer platform, select your course (see «My courses»), and click on «Enter simulation».

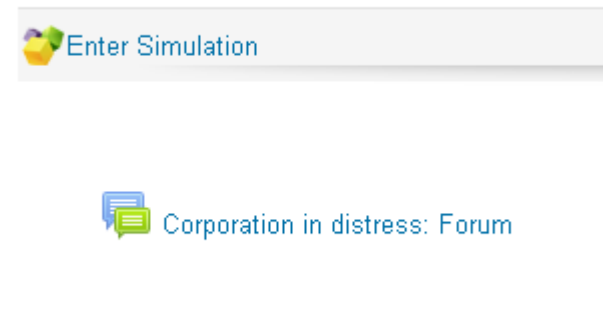
Participant interaction


How to access SBS




NAVIGATION  

- Dashboard
 - View All Courses
 - Current course
 - "Corporation in Distress", Classic**
 - Participants
 - Badges



 [Enter Simulation](#)

 [Corporation in distress: Forum](#)

Depending on the direction of the course, training, business game or a contest, at the start of the simulation you will receive a certain amount of money or existing company. Company's size, the number and type of subdivisions, its products, services, etc. are predetermined by instructional designers or course developers.

Every course offers and big election of company types. However, you have to choose a particular company before entering the simulation.

The system calculates the actions of users every specific period of time. The calculation is called a game turn. The time between the game turns is called a game update. The participants make all their decisions and moves every game turn.

Depending on the selected course (training, contest, etc.) there are two intensity formats in the SBS — Intensive and Classic.

**Game turns and game updates:
Intensive and Classic formats**

	Intensive	Classic
Usage	Short-term courses, training, business games, competitions (lasting between several hours and three days).	Long-term courses, training, business games, competitions (lasting longer than one month).
Game turn	Every clock hour.	Once per 24 hours.
Game update	Lasts for 1-3 minutes.	From 4:00 until 4:15 MSC.
Geographical locations	5 countries.	36 countries.
Types of enterprises	27 (including industry specifics) Office, store, hair salon, laundry, fitness center, restaurant, factory, mill, livestock, warehouse, laboratory, mine.	170 (including industry specifics) Office, store, gas station, hair salon, laundry, fitness center, restaurant, auto repair shop, factory, mill, livestock, warehouse, laboratory, medical center, power plant, mine, sawmill, agricultural farm, plantation, business center, fishing base.
Products, raw materials, semi-finished goods	> 40	> 250

Access the simulation

The key information and the structure of virtual companies is shown on the homepage of the simulation.

Home page

MY COMPANY:

Enterprises: an overview of all enterprises, opening new subdivisions.

Reports: financial, market reports; reports based on specific products, technology sales, warehouse stock, logistics.

Management: equipment, technologies, licenses, business boosters.

Strategy: participants can define their business strategies, business models and company goals.

Top manager: the qualification level of a participant in specific business fields.

Analytics – the information about SBS world:

Market analysis: reports on the products, competitors, geographical locations, licenses, production, etc.

Macroeconomics: geographical map of the virtual environment, logistics and transportation expenses, seasonality.

Reference: the list of industries and enterprises, business boosters and trade.

Bonuses and restrictions: taxes and fees, demographics information, etc.

RATING

Participant performance rankings.

TRAINING

For instructors and trainers — access to instructor account for simulation settings.

The screenshot shows the simulation interface for 'ABC corp'. At the top, there are navigation tabs: 'My company', 'Analytics', 'Community', 'Office', 'About', and 'Training'. Below these are sub-tabs: 'Forum', 'Companies ratings', 'Players ratings', 'Conference room', 'Search companies', and 'Search players'. The main content area displays 'ABC corp' with 'Company cash: @9 889 966' and 'Assets: @26 370 663'. To the right, the player profile for 'jeka igla' is shown with a rating of '@9 889 965.68' and a 'Time to game update' of '00:53:57'. Below the profile, there are social media buttons for 'Like' (13K) and 'Share'. A section titled 'My business' contains tabs for 'Under construction' and 'Game servers'. A table lists subdivisions with columns for '#', 'City', 'Subdivision', 'Size', 'Specialization', and 'Eff.'. The table shows five subdivisions in Valencia (Es) with various specializations like 'Store', 'Laboratory', 'Clothing factory', 'Weaving mill', and 'Office'. A 'New subdivision' button is located at the top right of the table. At the bottom of the table, there are 'Show by' options (10, 25, 50, 100, 200, 400) and 'Page: 1'.

Cash and assets

In-game time

Time left before the update

The subdivisions of a virtual company




How to open new subdivisions

In order to return to the homepage, go to «My company — Enterprises»

**The goal of the game.
Participant rankings**

Every game has its goals. In «Corporation in Distress», for instance, the participants have to lead their virtual company out of financial crisis in a specific number of game turns: first, their company has to reach the break-even point level, and secondly, the participants have to devise a business growth plan. In Simformer Business Cup, an online management contest, participants have to increase the revenues, profit as well as assets of their virtual company, whereas, the goal of «Financial Risk Management» course is identifying and decreasing the financial risks of virtual companies.

In any case, the goal of every Simformer game is to make any virtual business a success. Similar to the real business world, the virtual companies can be prolific in several categories, but there are key financial indicators that are detrimental to financial success of any company:

-  **Revenues** — company’s cumulative revenues from the moment of working in the simulation.
-  **Net profit** — The revenue of the company, excluding all expenses (including taxes) from the moment of working in the simulation
-  **Assets** — company’s valuable property (cash flow, buildings, equipment, raw materials, goods, etc.).

The idea is very simple — the revenues, profit and assets show how successful your company is!

Participant rankings are namely based on these particular indicators.


Participant rating

Select «Rating» on the home page.

You can sort the rankings in ascending or descending order or select the rankings of a particular game turn.

Key indicators — revenue, profit, assets. It is possible to see the rankings based on these indicators.

There is an integral indicator, which determines the ranking position of participants in the rating based on the following criteria: «Cumulative revenue», «Cumulative profit», «Assets». Every indicator has its own value: the higher the ranking is, the higher is the integral indicator.



[DemoAccess](#)
 Participants in the group: 6/10 000
Training in process

Founded: 24 March 2016

24 May 2016 | 15 January 68

#	Company Name	User	Revenue per turn	Cumulative Revenue	Profit per turn	Cumulative Profit	Assets	Performance Indicator
1	Andreev LLC	Andreev E.	€21 240	€21 240	-€19 659	-€19 659	€4 005 060	1.000
2		group f.	€0	€0	€0	€0	€0	0.000
3		Foster D.	€0	€0	€0	€0	€0	0.000
4		Fedorov 2 T.	€0	€0	€0	€0	€0	0.000
5		Морозов Е.	€0	€0	€0	€0	€0	0.000
6		Данкин В.	€0	€0	€0	€0	€0	0.000

First steps

Most often, the game has a specific scenario, where virtual companies have pre-configured initial conditions: a certain amount of money and employees, the level of top manager qualification as well as the goals and tips. Sometimes the game does not have a scenario and participants just receive a certain amount of virtual currency.

Managing stores in the simulation
Price, quality and brand
What is the most important?

What is more important: the price, quality or brand? There is no straightforward answer to that question. For example, if you establish a network of jewelry stores in upscale areas of the city, in that case the quality and the brand of goods will be very important. However, if your store is located in a residential area, an affordable price will be the key factor.

Do not be afraid to experiment with the prices, quality and brands.

We recommend following the instructions in game manuals. However, if there are no instructions, just the goal of the game, in that case a participant or a group of participants have to devise their business strategy and tactics. There a lot of options when it comes to choosing the scale of a business venture: from launching a small retail company to building an international vertically integrated corporation. But no matter what the choice is, participants have to have clear objectives on how they are going to run their companies in the simulation.

We decided to start with the detailed description of stores and how they function in the simulation. The end consumers are generated by the system. This is the only type of enterprise, where sales are computer generated: the actions and decisions in other types enterprises (factories, farms, mines, etc.), (buying, selling) are made by real participants.

The example of how the stores work is shown on your company's homepage:



Click on "store" and you will receive the information on store's location, type and products.





The business model of the store is quite simple: buying supplies (at a low price) and selling to end consumers (at a higher price). The price margin has to cover all the expenses (rent of the premises, salary, advertising expenses, etc.)



You can sell various kinds of products in one store. The list of products depend on the game intensity. There is a choice of 205 types of products in Classic format (with daily game turns) and 40 in Intensive (with hourly turns).

Each product has its price, quality and brand. They depend on the type of product, location of the store, competitors and other factors.

There are different types of prices in the simulation:

-  **Supplier's price** — the price of goods, excluding transportation expenses and custom duties.
-  **Purchase price** — the price you are going to pay to the supplier, including transportation expenses and custom taxes.
-  **Selling price** — the price you are going to set for end consumers.
-  **Average city price** — the average price of a specific product in a specific city.

Quality — can be any number (starting from 1 as the lowest quality indicator). The higher the quality is, the better is the product's selling potential. **Brand** — the indicator of consumer appeal. The higher the brand is, the better is the product's selling potential.

Ordering supplies

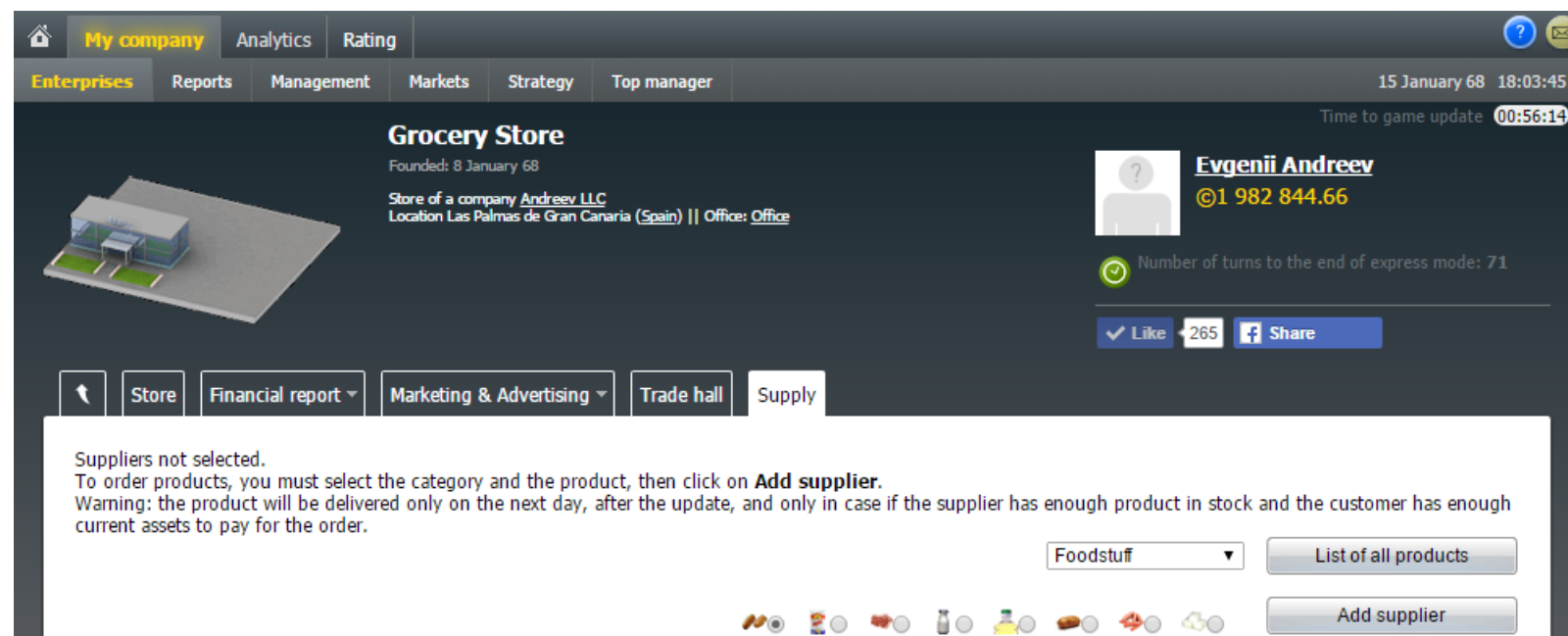
In order to select the supplier, go to your store, and click on the «**Supply**» tab, select the product category and specific the type of the product, then click on «Select supplier».

The purchase price may differ considerably from the supplier price in case long distance transportation is required.

When setting up the final price, you should consider such factors as the purchase price, the additional expenses as well as the average city price of the product.

In case there are two products of the same or almost the same quality, you should buy the one with lower supply price.

If two products have the same or similar price, we buy the highest quality products.



The screenshot displays the 'Grocery Store' interface. At the top, there is a navigation bar with 'My company', 'Analytics', and 'Rating'. Below this, a secondary bar contains 'Enterprises', 'Reports', 'Management', 'Markets', 'Strategy', and 'Top manager'. The main header shows 'Grocery Store' with 'Founded: 8 January 68' and 'Store of a company Andreev LLC'. A 3D model of a store is visible on the left. On the right, the user profile for 'Evgenii Andreev' is shown with a balance of '€1 982 844.66'. A green status indicator shows 'Number of turns to the end of express mode: 71'. Below the profile are 'Like' (265) and 'Share' buttons. A navigation bar at the bottom includes 'Store', 'Financial report', 'Marketing & Advertising', 'Trade hall', and 'Supply'. A white notification box at the bottom contains the following text: 'Suppliers not selected. To order products, you must select the category and the product, then click on **Add supplier**. Warning: the product will be delivered only on the next day, after the update, and only in case if the supplier has enough product in stock and the customer has enough current assets to pay for the order.' Below the notification, there is a dropdown menu set to 'Foodstuff', a 'List of all products' button, and an 'Add supplier' button. A row of product icons is visible at the very bottom.

Select the supplier of your choice from the list. Click on «Select», enter the amount of units you would like to purchase, and click on «Place an order». **You will receive your order after the next game turn.**

Price examples of sausage supplies.

Sausages — Select supplier
 Grocery Store :: Store :: Las Palmas de Gran Canaria
 Current assets of managing company: ©1 982 844.66

Average value in city stores: Price = ©54.52 Quality = 1.00 Brand = 0.00

[Advanced filter](#) [All](#) [Mine](#) [Corp.](#)

Supplier	Available In stock	Supplier's price	Price	Quality	Brand	
Meat processing plant Randle Institutions :: Meat processing plant :: Vorkuta	1 188 4 588	©8.53	©13.06	2.28	0.00	Select
Meat processing plant polimer polotno :: Meat processing plant :: Rostov-on-Don	2 500 55 999	©15.00	©21.50	2.41	0.00	Select
Meat processing plant vichys65 Invest :: Meat processing plant :: Magnitogorsk	20 650 20 770	©15.00	©21.53	2.64	0.00	Select
Meat processing plant Jushkonmica :: Meat processing plant :: Volgograd	16 976 17 676	©20.00	©28.61	3.30	0.00	Select
Meat processing plant viktor0217 Trejd :: Meat processing plant :: Norilsk	18 218 18 218	©25.00	©35.55	2.59	0.00	Select
Warehouse PooP&Com :: Warehouse :: Tomsk	500 4 276	©25.00	©35.56	3.12	0.00	Select
Independent supplier Novosibirsk	Unlim.	©25.00	©35.66	1.00		Select
Meat processing plant StarLabs :: Meat processing plant :: Ivanovo	10 900 10 900	©29.00	©41.11	2.72	0.00	Select
Independent supplier Hanover	25 000 Unlim.	©35.00	©49.68	5.00		Select
Meat processing plant osiman_004 i kompaniya :: Meat processing plant :: Lubercy	500 3 656	©41.00	©57.90	2.42	0.00	Select
Independent supplier Indianapolis	10 000 Unlim.	©45.00	©63.63	10.00		Select

Show by: [10](#) [25](#) [50](#) [100](#) [200](#) [400](#) Pages: [1](#)

Things to consider

When signing a contract with a supplier, you can set specific conditions, like stopping the supply in case the price has increased by X%, or stopping the supply in case the product quality has decreased by Y.

All contracts are long-term by default. That is, if you order 100 units, every game turn you will receive precisely 100 items.

If you wish the contract to be valid only for one game turn, tick the "One-time purchase" box.

Market analysis and selling potential

When you are in the process of selecting products for your store, it is crucial to know whether there is a market demand for these products. Otherwise, there is a risk of investing in a product that will not sell.

In order to determine product selling potential, you need to conduct a thorough market analysis as well as price and quality analysis.

Understanding market analysis data

For quick assessment look at the market development index. If it has a value of "E", it means there is a selling potential in such market, since it is occupied only by local suppliers (computer-generated stores, which are relatively easy to compete with). If the development index is "AAA", it means that there are real players in the market and it will be more difficult to compete.

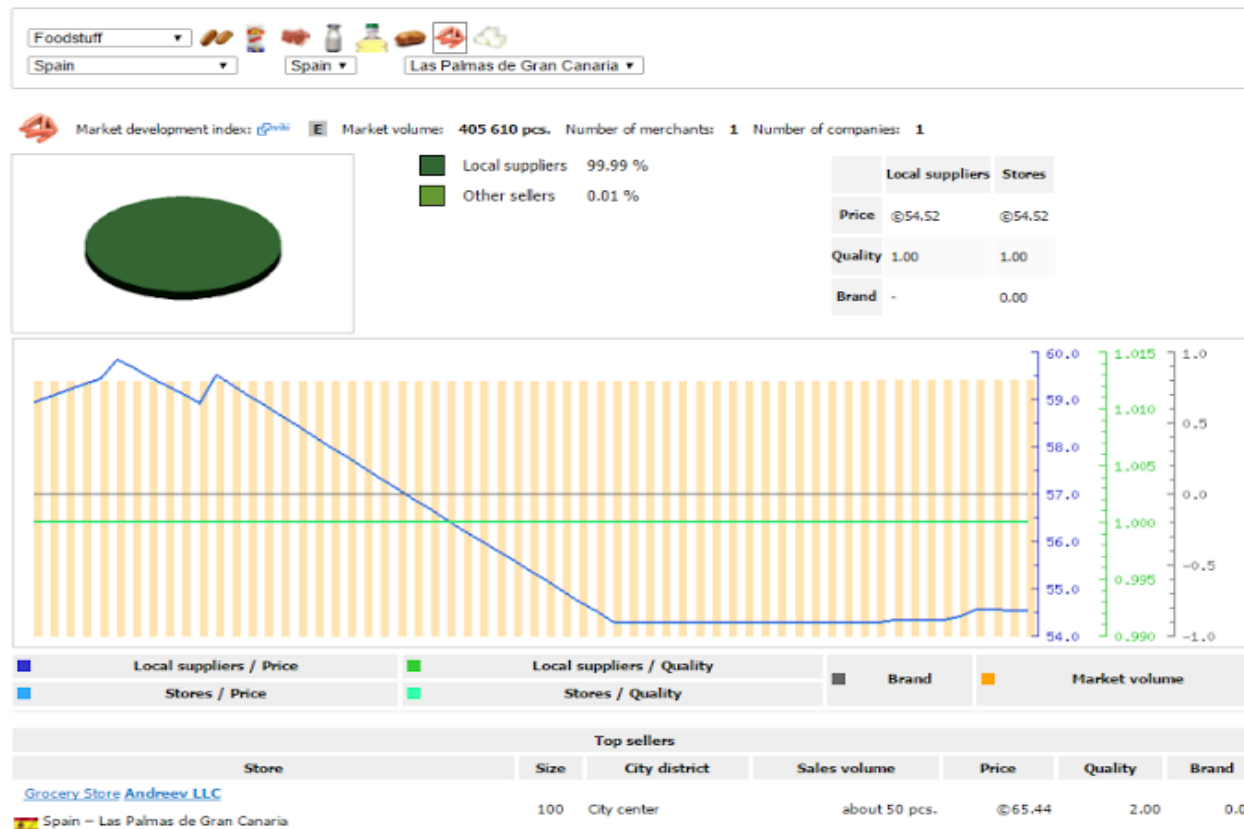
Notice the changes in price and quality. For example, the quality of this product in the market is minimal (1), the price has been decreasing for the last game turns and now it is a bit over 32.

Therefore, if you are able to find a supplier of sausages (or build a sausage factory yourself) with the quality equal to or bigger than 1, but at a lower price, you have an excellent chance to generate profit.

Take a look at the list of the biggest non-computer-generated buyers. They are a good indicators to understand the selling potential of specific products. For example, each game turn «Fedorov and the company" sells about 100 units of 1.05 quality products at the price of 35.99. Therefore, if your product has the same quality, but the price is slightly lower, you can expect to sell 100 units of sausages each game turn.

You have established your store in a certain location (country, region, and city). In order to have a clear picture of the market situation, click on «**Analytics**» > «**Market analysis**» and select the product and the region.

An example of a market report on sausages in Kazan.



Experiment with the market

Try to apply various product range and price strategies. Experiment with supply and prices and adjust your strategy after marker reaction.

In some cases it is better to have a smaller margin (the difference between the selling price and the purchase price), but bigger sales volumes due to the offer of a favorable price / quality / brand combination.

Also, you can choose the strategy of bigger margins and smaller sales volumes.

The following example will help you have a better understanding about the selling potential based on the correlation between product price and quality.

Product type	Supply		Selling price	City average		Selling potential
	Price	Quality		Price	Quality	
	5 000	2	8 000	8 000	1	Satisfactory: the price is the same as the city average , but the quality is higher
	50	1	120	110	1	Bad: the price is higher than city average, the quality is the same
	150	5	600	800	2	Excellent: the quality is higher than city average, but the price is lower
	50	1	60	60	1	Average: product price and quality are the same as the city average
	30	3	60	90	3	Good: the price is lower than city average but the quality is the same

Trade hall

When you order the supply, the information on the average city price and quality of the product, your supply and sales volumes, product volumes in stock, etc. can be found in store’s trade hall. **You can set the selling prices of your products in the trade hall of your store.**

The screenshot shows the 'Trade hall' section of a 'Grocery Store' in the SIMFORMER simulation. The store is owned by Evgenii Andreev and is located in Las Palmas de Gran Canaria, Spain. The interface includes a navigation menu with options like 'Store', 'Financial report', 'Marketing & Advertising', 'Trade hall', and 'Supply'. A 'Store analysis' banner indicates a special program for new stores. Below this, a table displays product data:

Product	Sales volume	Purchase volume	In stock	Quality	Brand	Purchasing price	Sale price	Market share	city average		
									Price per week	Quality	Brand
	5	0 [0]	44	2.00	0.00	€1.25	4.07	0.00 %	€3.40	1.00	0.00
	25	0 [0]	15	2.00	0.00	€2.50	13.56	0.01 %	€11.44	1.00	0.00

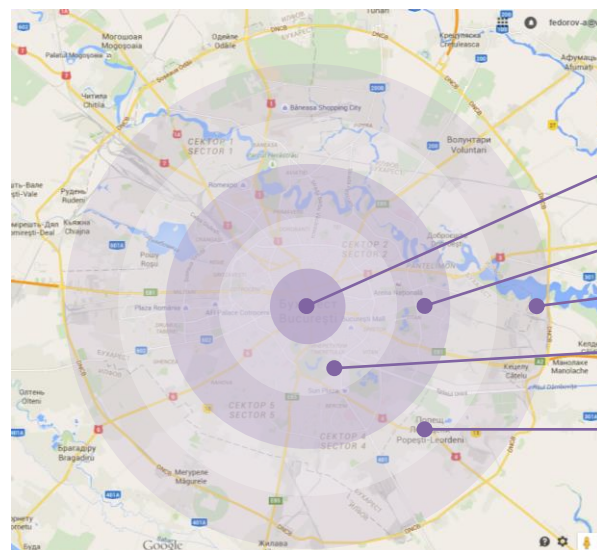
Market analytics

Do not forget to refer to the analytics reports in the business simulation. They contain the information on market structure, key competitors and their prices, as well as information on new markets to enter.

Click on «**Analytics**» for analytics and reference information.

Store size and location

The location of the store is very important. The closer the store to the city center, the more the quality and the brand of products becomes vital. The further the store is from the city center, the more the product price becomes important. For example:



Quality	Price	Brand
8	1200	10
4	800	3
1	340	0
5	50	4
2	30	1

Experiment with the market

Experiment with different strategies when selecting the location of the store, product range and price margins.

The closer the store is to the city center, the higher are the rent expenses. But the selling potential is bigger. Especially if your product is of a good quality and reasonable price.

As your business starts to grow, there will be a need to increase the size of the store: it will help you sell more products and serve bigger amount of customers.

The sign that you need to expand the store will be obvious: you will have long queues of customers in front of your store (there will be a notification of that). It means that the store has substantial customer traffic, a good price and quality correlation, qualified employees, but the store itself is too small to serve all customers, it means it is time to expand.

You can change the location and the size of your store by clicking on «[Store location](#)».

[Store](#) | [Financial report](#) | [Marketing & Advertising](#) | [Trade hall](#) | [Supply](#)

[Sell enterprise](#) | [Change name](#) | [Notes](#) | [Close enterprise](#)

Store analysis
 A special program will automatically analyze your store's performance. This option is available only within the first **five days after the registration**.

City district [wiki](#) City center
Trade area [wiki](#) 100 m²
Rent expenses ©2 250.00 per week
Number of departments [wiki](#) 1
Number of employees 5 (required ~ 2)
Salary of one employee ©248.75 per week (city average ©300.00)

[Store location](#)
[Employees and salary](#)

Employees and salary

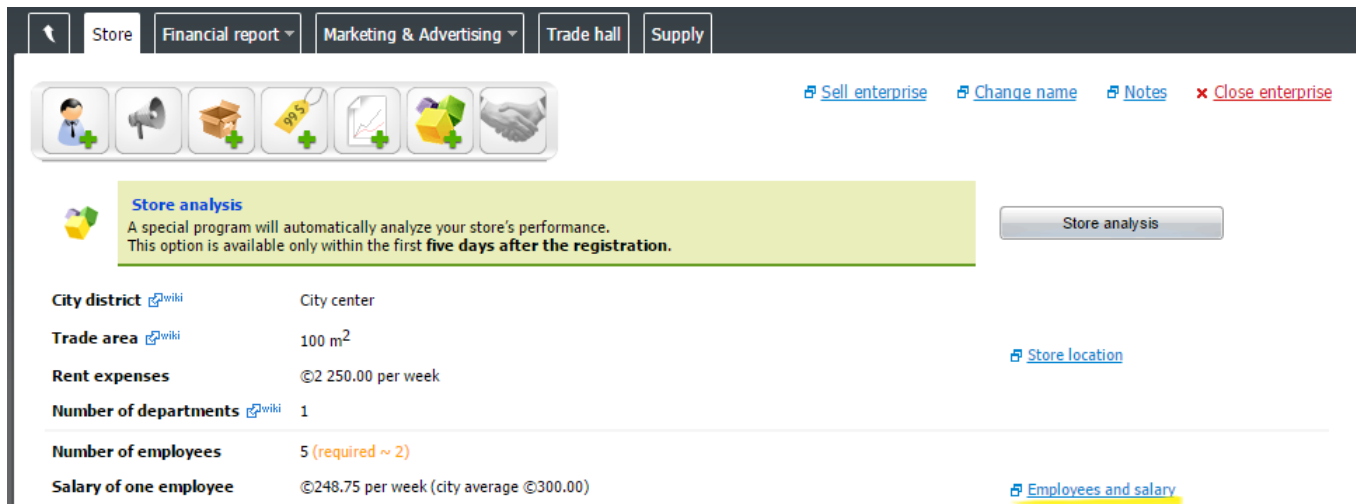
Employees

It is better not to save on your staff expenses and your employees are crucial to your business!

Here are some recommendations on HR management:

- Your employees should correspond to the size, specialization, and growth of your business.
- For example, if you spend a lot on advertising, make sure you have enough employees to service the increased customer traffic.
- In order to increase the sales volumes, a high level of service is required, which depends on employees' qualification. This factor is especially crucial for the stores, located in the city center or upscale areas.
- Sometimes it is better to decrease the unnecessary supply purchasing (which ties up your money) than saving on your employees.
- It is always good to have some options. You can hire expensive yet qualified employees, or you can hire less qualified employees and invest in their training and development. Or you can opt for something in-between these two strategies.
- Experiment with managing your HR department, it will help improve the overall efficiency of your staff.

Naturally, the store cannot function without proper staff. You can manage the HR department of your store by clicking on «**Employees and salary**» on the home page of your store. There you also can find the hint on how many employees your store currently needs.

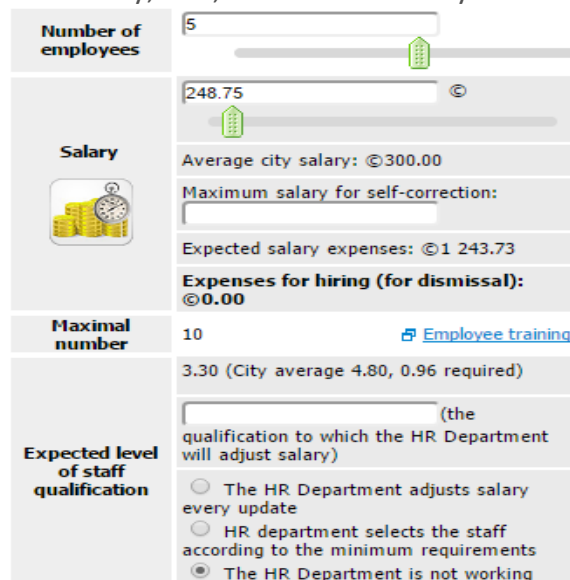


The screenshot shows the 'Store analysis' section of the SIMFORMER interface. It includes a navigation bar with 'Store', 'Financial report', 'Marketing & Advertising', 'Trade hall', and 'Supply'. Below the navigation bar are several icons representing different business functions. The 'Store analysis' section contains a green box with the text: 'Store analysis. A special program will automatically analyze your store's performance. This option is available only within the first five days after the registration.' Below this, there is a table of store details:

City district	City center
Trade area	100 m ²
Rent expenses	€2 250.00 per week
Number of departments	1
Number of employees	5 (required ~ 2)
Salary of one employee	€248.75 per week (city average €300.00)

Additional links and buttons include 'Store analysis', 'Store location', and 'Employees and salary'.

Set the number of employees and their salary, hire, dismiss and train your staff.



The screenshot shows the 'Number of employees' and 'Salary' settings in the SIMFORMER interface. It includes a slider for 'Number of employees' set to 5, a 'Salary' section with a slider set to 248.75, and a 'Maximal number' section set to 10. The 'Expected level of staff qualification' section includes a dropdown menu and three radio button options.

Number of employees	5
Salary	248.75
Average city salary:	€300.00
Maximum salary for self-correction:	
Expected salary expenses:	€1 243.73
Expenses for hiring (for dismissal):	€0.00
Maximal number	10
Expected level of staff qualification	3.30 (City average 4.80, 0.96 required)
	(the qualification to which the HR Department will adjust salary)
	<input type="radio"/> The HR Department adjusts salary every update <input type="radio"/> HR department selects the staff according to the minimum requirements <input checked="" type="radio"/> The HR Department is not working

Advertising

Advertising campaign efficiency

The more often potential customers see the advertising of your store, the better. Try to maintain a minimum contract figures to the city population ratio: not less than 2: 1 - 3: 1. That is, every resident of the city should see your ad at least 2-3 times.

Ideally, the advertising campaign of your store should be 100% efficient. The efficiency of advertising campaigns does not depend on how much money you have spent on it, but how efficiently the customers were served in your store after they had seen your ad.

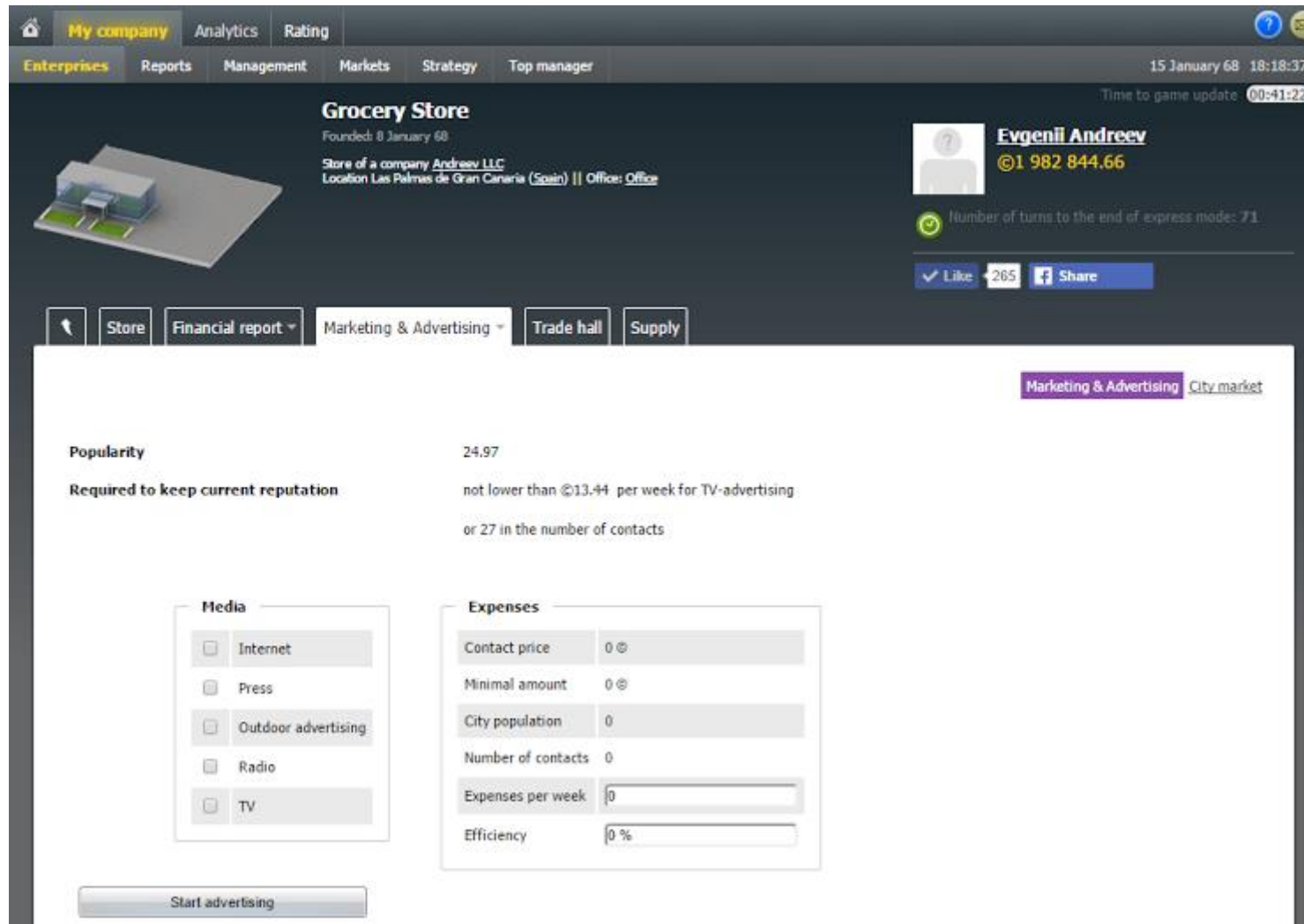
In order to achieve it, it is crucial that your store works with 100% efficiency. This indicator is calculated on a regular basis in the simulation (see the homepage of your store). The low performance of your store means that not all visitors, who came to your store to buy something, were able to make a purchase.

The efficiency of the store depends on three factors:

- The efficiency of your employees (sales assistants): the number of people and their skills, that is, their ability to provide high quality customer service.
- Manager's qualification in Trade (you can see the information on your qualification in „My Company"> "Top Manager".)
- The efficiency of your office.

The last two factors will be explained in details in the following chapters.

Advertising is crucial in attracting potential customers to your store. This eventually might translate into customer traffic and, consequently, bigger sales volumes. In order to set the advertising campaign for your store, click on «**Marketing and advertising**».



The screenshot shows the 'Marketing & Advertising' interface for a 'Grocery Store'. The store is owned by Evgenii Andreev, founded on 8 January 68, and located in Las Palmas de Gran Canaria. The interface includes a navigation menu with options like 'Store', 'Financial report', 'Marketing & Advertising', 'Trade hall', and 'Supply'. The 'Marketing & Advertising' section displays the following information:

- Popularity:** 24.97
- Required to keep current reputation:** not lower than €13.44 per week for TV-advertising or 27 in the number of contacts
- Media:** A list of advertising channels with checkboxes: Internet, Press, Outdoor advertising, Radio, and TV.
- Expenses:** A table with the following values:

Contact price	0 €
Minimal amount	0 €
City population	0
Number of contacts	0
Expenses per week	0
Efficiency	0 %

A 'Start advertising' button is located at the bottom of the interface.

Try different advertising channels for maximum efficiency.

Top manager qualification

The qualification of a top manager has a direct impact on the efficiency of the office and its subdivisions. Click on the «[My company](#)» > «[Top manager](#)» to see your qualification details.

Initial qualification and its growth














The qualification level that you receive at the start of the course depends on the purpose of the course. Normally, the initial qualification is relatively high (e.g., 10 or 20), for short-term courses and training and relatively low (1-5) for long-term ones.

Your qualifications will be growing steadily if your business is profitable.

Qualification

Qualification

The higher your qualification level in a certain field [🔗](#), the larger, more complex, high-tech enterprises you can manage.
If your qualification level is not high enough, your **enterprise efficiency**, staff productivity will decrease, and expenses increase

	Management <input type="text" value="20"/>	influences the efficiency of offices	0.02%
	Agriculture <input type="text" value="20"/>	influences the efficiency of farms and plantations	0.00%
	Commerce <input type="text" value="20"/>	influences the efficiency of stores	0.00%
	Fishing industry <input type="text" value="20"/>	influences the efficiency of fishingbases	0.00%
	Livestock <input type="text" value="20"/>	influences the efficiency of stock-farms	0.00%
	Marketing (advertising) <input type="text" value="20"/>	influences the efficiency of advertising in offices and stores	0.00%
	Medicine <input type="text" value="20"/>	influences Medical Centers' efficiency	0.00%
	Mining <input type="text" value="20"/>	influences the efficiency of mines and oil wells	0.00%
	Power Plants <input type="text" value="20"/>	influences the efficiency of power plants	0.00%
	Production <input type="text" value="20"/>	influences the efficiency of factories, mills and sawmills	0.00%
	Restaurant management <input type="text" value="20"/>	influences Restaurants' efficiency	0.00%
	Science research <input type="text" value="20"/>	influences the efficiency of laboratories	0.00%
	Services sector <input type="text" value="20"/>	influences the efficiency of the enterprises specializing in services	0.00%

The higher your qualification in a certain field is, the bigger and more hi-tech enterprises you will be able to manage. If the qualification level is not high enough, the efficiency of your business decreases, which leads to bigger expenses and lesser profit.

Summary

1. Conduct a market analysis, where you plan to establish your business. Select the products with the biggest selling potential. Focus on these products.
2. If you received just the initial capital at the start of the game, find the best market for your company, pay attention to market development index and other factors. Do not forget to open office first. An enterprise will not be able to function without an office in that particular area.
3. Order the supply of particular products (materials). Bear in mind such factors as the enterprise location, average city price, quality and brand, sales volumes of your competitors.
4. Set the selling prices of your products.
5. Make sure you have enough of employees.

After first game turns

1. Check the efficiency of all your subdivisions on the homepage.
2. Take advantage of the in-game hints.
3. Look at the company financial reports — that way you can see which subdivisions of your company are more profitable.
4. Check the sales volumes in the trade hall and the warehouse of your factory are all products selling out? How many units were ordered and how many were sold? Experiment with prices if necessary.
5. Improve the sales and leftover stock supplies. Bear in mind that there is no point in investing into products that are not selling out.
6. Launch an advertising campaign. Try various advertising channels and budgets. Increase the efficiency of the advertising campaign.
7. Expand your business — optimize the processes in existing subdivisions or open new ones. Which ones exactly and how? Please, continue reading.

How to open and close subdivisions

The construction period

Bear in mind that the opening of some particular subdivisions may take some time (more than one game turn). A small consumer goods factory can be built in one or two game turns. The building of a huge technology factory, however, will take place during more than 10 game turns.

Offices and stores can be opened during one game turn.

The importance of the office and its efficiency

Office management

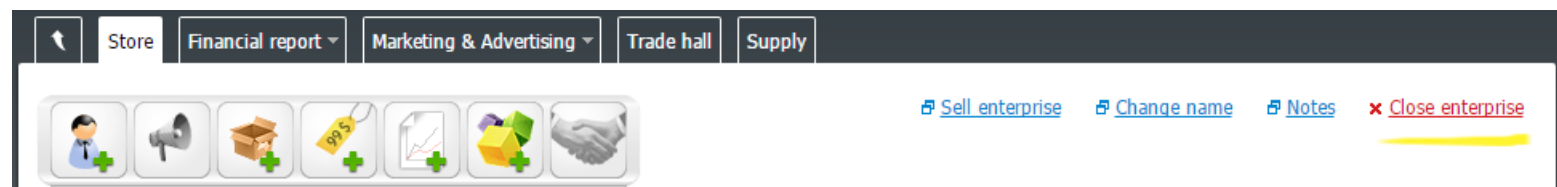
The homepage of your office:

- «Employees and salary» for hiring employees to your office.
- «Equipment» и «Automatic repair» for buying, repairing or removing computers
- «Change size» for changing the size and location of your office.

In order to open a new subdivision click on the link with the same name on your company's homepage:



In order to close the subdivision, click on the link of the same name on the subdivision's homepage:



In order to open a subdivision in any geographical location, first, you need to open **an office** in that exact area. This will be the main headquarters, where the management team is working. Similar to stores, it does not take time (game turns) to build an office. You will be able to open your office during one game turn. Bear in mind that offices in SBS do not generate any profit, since they do not produce or sell anything. Please, take into consideration such factors as education level of the population (the employees have to be appropriately qualified), average city salary, rent prices.

Your office has to operate at a maximum efficiency level. It depends on the following factors:

- 🧑‍💼 **Your employees' efficiency** — the qualification of your staff cannot be lower than the city average and lower than the requirements of the job.
- 🧑‍💻 **The quality and condition of computers** — each employee has to be provided with a computer. The higher the quality of the computers is, the more qualified should be your employees. Pay attention to the tear and wear condition of your computers: outdated computers have negative impact on the efficiency of your office.
- 🧑‍💼 **The efficiency of a top manager (you and other participants)** — the qualification level of the user in «Management» (see «My company» > «Top-manager»)

High efficiency level of your office has a positive impact of the efficiency of all your subdivisions in the region.

Selecting the location and size of subdivisions

The location of the office matters

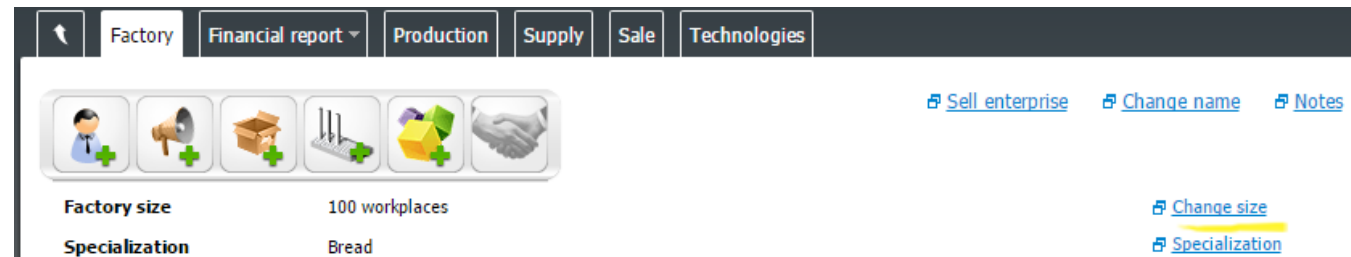
The location is very important in case the subdivisions cater to customers (stores, restaurants, medical centers, etc.).

The location is also important for factories, laboratories, offices, warehouses. Bear in mind the transport expenses. If the factory is located in New York and you sell products in Los Angeles, this significantly increases the price of the product. Another important factor: the development of high technology factories and research and development laboratories require highly qualified staff. The highly qualified employees can be recruited in the cities with high education level.

There is a number of subdivisions (mines, fishing bases), the location of which is pre-selected by the system.

In order to change the location and size of your enterprise, use the functions of the same name on the homepage of your enterprise.

An example of how to select the location and size of the factory: (the same as for the offices, laboratories, etc.):



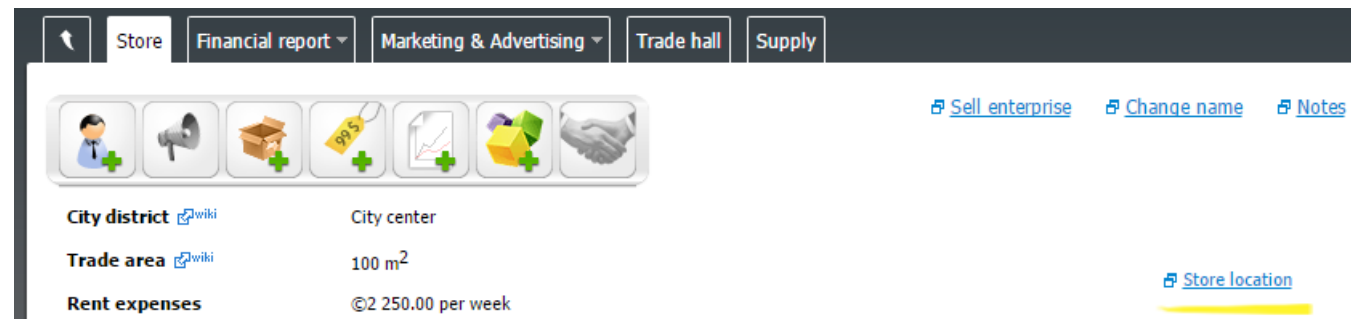
Factory | Financial report | Production | Supply | Sale | Technologies

[Sell enterprise](#) | [Change name](#) | [Notes](#)

Factory size 100 workplaces | [Change size](#)

Specialization Bread | [Specialization](#)

An example of how to select the location and size of the store:



Store | Financial report | Marketing & Advertising | Trade hall | Supply

[Sell enterprise](#) | [Change name](#) | [Notes](#)

City district [wiki](#) City center

Trade area [wiki](#) 100 m²

Rent expenses €2 250.00 per week | [Store location](#)

Factories are built to manufacture something out of raw materials. You can deliver the finished goods to your stores or the stores of other participants. Your finished goods, in turn, can be used as raw materials, parts or accessories for other manufacturers. Naturally, you can sell your finished goods not only to stores, but to the factories as well (yours and other participants). The same is with raw materials — you can deliver it to your factories and the factories of other users.

There is a big choice of factories and industries. There are 60 types of industries in SBS Classic (daily game turn intensity). Given the fact that the finished goods may vary depending on the specialization and type, the selection of factories is very broad.

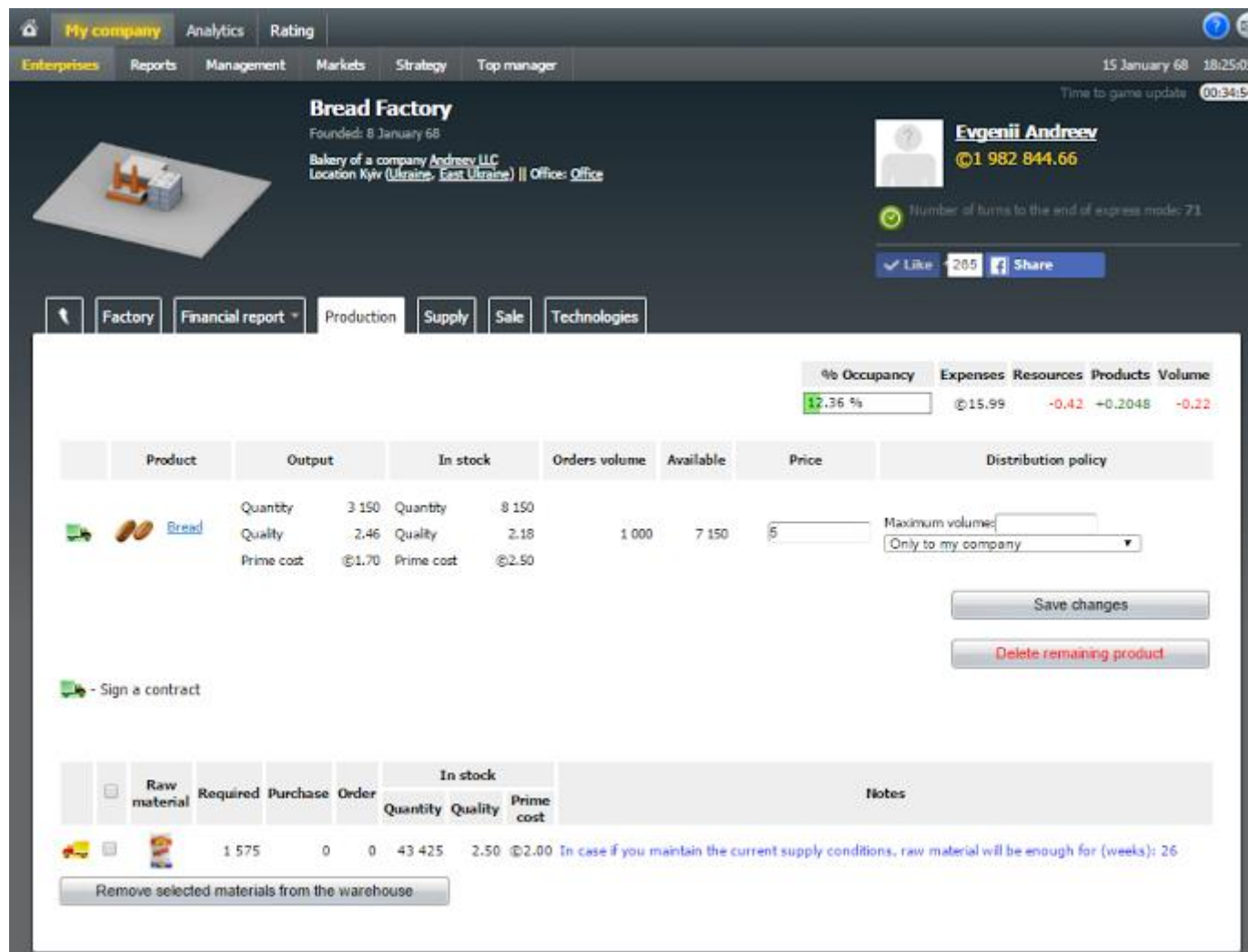
Production sector
Factory: the nuances

- As it was mentioned earlier that you can open a store during only one game turn, however, it takes several game turns to build a factory. The number of game turns depend on the size of the factory.
- You will encounter new management modules - production and technology.
- In order to produce something, first you need to purchase raw materials. The supply purchasing functions are the same as the ones in stores. The manufacturing process takes one game turn. After the manufacturing process has finished, you can set the selling prices. Your production will be available for sale during next game turn. In «Production» you can manage your finished goods: you are able not to sell your finished products at all (instead just store them in the warehouse), you can choose to sell to every participant or just the selected ones or you can sell your production only to your company.
- Factories have to have qualified employees, equipment and supply.
- Do not forget to pay attention to the equipment condition.
- The quality of manufactured products depend on the technology level. (See «Technology» tab).
- The equipment quality and the staff qualification requirements depend on the technology level.
- The technology level can be upgraded by purchasing new technology or carrying out experiments in the laboratories.
- When selecting the location of the factory, consider such factors as education level of the population, average city salary, and the location of the main buyers of your production.

In SBS Intensive (hourly game turn intensity) there are 15 manufacturing-related industries.

Factory business model is not complicated: you need to buy raw materials, which will be in the factory. The finished goods can be sold to other participants in the simulation. The product quality depends on the level of technology. Qualified staff is need In order for the factory to function.

An example of a bread manufacturing factory:



Bread Factory
 Founded: 8 January 68
 Bakery of a company Andreev LLC
 Location Kyiv (Ukraine, East Ukraine) || Office: Office

Evgenii Andreev
 €1 982 844.66
 Number of turns to the end of express mode: 71

Like 265 Share

Factory Financial report Production Supply Sale Technologies

		% Occupancy	Expenses	Resources	Products	Volume
		17.36 %	€15.99	-0.42	+0.2048	-0.22

Product	Output	In stock	Orders volume	Available	Price	Distribution policy
Bread	Quantity	3 150	Quantity	8 150	5	Maximum volume: <input type="text"/> Only to my company
	Quality	2.46	Quality	2.18		
	Prime cost	€1.70	Prime cost	€2.50		

Save changes
Delete remaining product

Sign a contract

Raw material	Required	Purchase	Order	In stock			Notes
				Quantity	Quality	Prime cost	
	1 575	0	0	43 425	2.50	€2.00	In case if you maintain the current supply conditions, raw material will be enough for (weeks): 26

Remove selected materials from the warehouse

Laboratories: R&D

Buying licenses and technologies

For purchasing licenses and technologies click on the «Technologies» tab.




Research in laboratories


In order for laboratories to work, you need to hire qualified staff, buy appropriate equipment and, of course, invest a lot of time.

Just like in other subdivisions, the staff has to be accordingly qualified and earn specific salary. The equipment has to be of an appropriate quality. In order to know what the optimal settings for laboratories are, pay attention to the hints in the simulation. The functionality is the same as in the other subdivisions.

Just like offices, laboratories do not generate any profit. However, your R & D results will be able to help other subdivisions generate substantial profit.

The quality of finished goods depend on the quality of equipment and raw materials, the qualification level of the staff and **technology level**. We have already evaluated the effect of quality on selling potential: if you manufacture products of a high quality at the expenses lower than that of your competition, the selling potential of your production is very high. The technology level at your factory can be increased in the following ways:

-  **Purchasing a license** of a certain technology level — it will be valid only for the factory, it has been purchased for. Normally, it is not that costly, but its functionality is limited only to one factory.
-  **Purchasing the technology** — in this case the technology can be installed into all similar subdivisions in your company. Although it might cost a lot, it can be used in all your subdivisions at once.
-  **Carrying out research in your laboratory** and use the newly researched technology in your enterprises. You can also sell it to other participants.




Laboratory

Founded: 10 January 61

Laboratory of a company Red Searm LTD
Location Turku (Finland) | Offices Office

Laboratory
Financial report
Researches

Current research  [Mineral processing plant](#)

Research level 2 (scientists required 5)

Start a project 17 November 64

Scientists in project 500

Efficiency of laboratory 100.00 %

Research stage 1. Preliminary research

Current research stage lasts for (weeks) 4

[New project](#)

[Research management](#)

[Stop project](#)

Bonus

Corporate business centers (villas) + 3.00 %

Environmental standard – 100 + 15.00 %

Grants for fundamental scientific researches + 17.30 %

Research status

 100.00 %























First stage is over. You must select a working hypothesis to proceed to the next stage.

№	Possibility	Reference time	Study
1	3.09 %	1.00	---

Agriculture:
Farms, mills, apiary, plantations, fishing bases.

The farms, mills, apiary, cowshed, plantations have similar **functionality** as production subdivisions. The only difference is that instead of equipment you will have to handle livestock. You will have to buy forage from suppliers- either from your own companies or from other participants of the simulation. The aim of keeping the cowshed could be cattle breeding or production of raw meat and milk, which could be delivered to your own stores or sold to other participants.

Examples of required forage and products produced in cowsheds:

Industry		Agriculture			
Specialization					
Specialization	Livestock	Forage	Products	Quality modifier	
Cowshed		 24.0 pcs.	 5.0 pcs.  20.0 pcs.		
Milk farm (grain)		 24.0 pcs.	 40.0 pcs.		
Cow breeding (potatoes)		 30.0 pcs.	 5/100 pcs.	+ 10.00 %	
Milk farm (potato)		 30.0 pcs.	 40.0 pcs.		
Cowshed (potatoes)		 30.0 pcs.	 5.0 pcs.  20.0 pcs.	 + 10.00 %  + 10.00 %	
Cows breeding		 24.0 pcs.	 5/100 pcs.		

If you opt for delivering your production to your own stores, we recommend practicing on agriculture enterprises. The production chain in such subdivisions are normally shorter than in motor manufacturing business for instance.

Farms: Livestock

Cowsheds, dairy farms, poultry, sheep farms, and pig farms. They function according to a familiar scheme: forage purchase > cattle breeding > production > delivering the production to your own enterprises or to the enterprises of other participants (factories and stores).

You have to take a good care of your livestock: constantly supply them with a required amount of high quality forage.

Plantations and agricultural farms

Are meant for growing agricultural products — tomatoes, corn, crops, cotton, coffee, fruits and so on. The equipment needed are tractors. Bear in mind that agricultural activities are seasonal.

Mills

The key factors are equipment, supply of good quality raw materials, milling, production and distribution.

Apiary

The conditions are similar to animal breeding only with bees.

Fishing bases

Fish can be delivered to fish-processing as well as retail enterprises.

Service sector

Fitness centers, hair salons and laundry services are suitable for those, who is doing their first steps in the simulation. These particular enterprises do not require dealing with suppliers, but instead there is a need to select the right location, equipment and hire qualified staff. There is also one specific factor- there no computer-generated competition- business owners will have to compete with other participants like themselves.

Gas stations are very similar to the stores. You will have to purchase wholesale gasoline and sell it at retail prices.

Restaurants and medical centers are also considered service sector businesses in the simulation. They require purchasing consumables, evaluating their price and quality correlation. It takes several game turns to build medical centers, other service sector businesses are rented, which means they can be opened in one game turn.

Example of the «Supply» function of the restaurant:

Restaurant
Financial report
Marketing & Advertising
Consumables
Supply

% Occupancy	Expenses	Resources	Products	Volume
2.69 %	€0.06	+0.5189	0.00	+0.5189

Estimated cost of last week purchase: €6 309.20
Estimated cost of current week purchase: €57 308.20

Raw material	Quantity	In stock	Supplies											
			Supplier	Parcel	Conditions	Price	In stock							
	Costs per client	1	Quantity	91	<input checked="" type="checkbox"/>	Independent supplier	<input type="text" value="1000"/>	<input type="text" value="10"/>	<input type="text" value="100"/>	Price	€4.37	All	Unlim.	
	Order	1 000	Quality	2.00			Max: 5 000	Min. qual.	0	Cost	€4 371.00	Available	Unlim.	
	Purchase	0	Prime cost	€1.50					Quality	5.00	Purchase	0		
	Costs per client	1	Quantity	91	<input checked="" type="checkbox"/>	Independent supplier	<input type="text" value="1000"/>	<input type="text" value="10"/>	<input type="text" value="100"/>	Price	€22.37	All	Unlim.	
	Order	1 000	Quality	2.00			Max: 5 000	Min. qual.	0	Cost	€22 368.00	Available	Unlim.	
	Purchase	0	Prime cost	€12.00					Quality	5.00	Purchase	0		
	Costs per client	1	Quantity	1 091	<input checked="" type="checkbox"/>	Andreev LLC / Bread Factory	<input type="text" value="1000"/>	<input type="text" value="never"/>	<input type="text" value="100"/>	Price	€6.31	All	8 150	
	Order	1 000	Quality	2.00				Min. qual.	0	Cost	€6 309.20	Available	8 150	
	Purchase	1 000	Prime cost	€6.20					Quality	2.18	Purchase	1 000		
	Costs per client	1	Quantity	91	<input checked="" type="checkbox"/>	Independent supplier	<input type="text" value="2500"/>	<input type="text" value="10"/>	<input type="text" value="100"/>	Price	€9.70	All	Unlim.	
	Order	2 500	Quality	2.00			Max: 2 500	Min. qual.	0	Cost	€24 260.00	Available	Unlim.	
	Purchase	0	Prime cost	€2.50					Quality	5.00	Purchase	0		

The factors as prices and locations are the most important in service sector. If your competition has lowered the prices on their services, you will need to take urgent measures and experiment with different production costs, specializations and location of your business.

The service quality level

To increase your qualification and, as a consequence, management skills and performance, it is important to maintain a high level of service, which, in turn, depends on the quality of equipment and employees.

The uniqueness of service

The more unique your service is, the more visitors you attract. Your service business is unique in case you are the only one offering services in the market. If there is competition, the uniqueness of your services is, naturally, decreases. Try to establish your service sector business in those markets, where there is no competition. Or choose the specialization, which has not been used yet. This will allow you to generate profit.

Consumables

Pay attention to the quality of the consumables in restaurants and medical centers. They affect the visitor traffic and, as a consequence, profit of your business.

Mining and power plants
Mining

In general, the functionality of mining and power plant enterprises resembles the production. There is a production (mining), sales, technologies, general management staff, equipment, etc.).

The difference is that mining is tied to a particular location: it is impossible to extract oil in Berlin, for instance. Also, do not forget to open your office in the region, where the mining will be carried out. You will not be able to manage the mines or quarry without it.

Another difference is the purchase cost of mineral fields. Initially, all fields are in state-owned. So you will have to invest a lot of money to establish them. But they will pay off big time as mining is a very profitable business.

There are 4 types of natural resources in Intensive format of the simulation and 14 in Classic.

Power industry

It takes from 7 to 100 game turns to build a power plant. That is why there are available only in Classic format. There are three types of power plants: incinerators, coal-fired power plants and oil-fired power plants.

Mining allows the controlling of the initial stage of raw material production. As a consequence, its quality and prime costs. Natural resources can be either sold to other participants of the simulation or delivered to your own factories.

Power industry is a specific type of business in the simulation. It is rational to open power plants only in the case if there is a lot of time devoted to the simulation (long-term study course, for example). You can control the quality of the raw materials (oil, coal) if you own a huge manufacturing empire that is able to process all that.

Example of the oil-fired power plant functionality:

↑
Power plant
Financial report ▾
Sale
Technologies

Power plant

Nominal capacity	5000 MW
Actual capacity	4 585.77 MW
Produced energy	770 409.33 MWh
Prime cost	\$93.28
Price	\$115.00
Sold (City power grid)	281 993.00 MWh
Sold (World power grid)	488 416.33 MWh
Final price for one unit	\$55.60
Energy consumption	Edmonton, Western Canada

Distribution policy

✔
City power grid

Price

Tariffs for the electric power >>>>

The produced energy is bought by the city at the price not above **\$130.00** for 1 MWh, city bargaining of energy suppliers is held in each game situation update, the independent dealer purchases not-sold energy at the price **\$21.30** for 1 MWh during the update.

Warehouses are necessary for storing supply or raw materials. Every warehouse has its own purpose and specialization (for storing oil, chemical, manufactured products, etc.). You can select the specialization of your warehouse.

When warehouses are useful

Normally, every store and factory have their own warehouses. So opening warehouses as a separate subdivision is useful in case you manage a huge business empire with several factories of one specialization, which use the same raw materials. Therefore, it is necessary to purchase these raw materials. You can arrange it, so all the purchases are delivered to one warehouse, from where the supply will be delivered to factories.

Similarly to the finished goods: it is possible to supply them from different factories to one warehouse and from there deliver them to various stores. This will save time in managing raw material.

Besides, warehouse are very useful in case of the supply contract cancellation or negative price changes.

Warehouse
 Founded: 15 January 68
 Warehouse of a company Andreyev LLC
 Location Zaragoza (Spain) | Office: Office

Evgenii Andreyev
 @1 982 844.66
 Number of turns to the end of express mode: 70

Like 285 Share

Warehouse | Financial report | Supply | Sale | Delivery

Estimated cost of last week purchase: @0.00
 Estimated cost of current week purchase: @56 653.20

	Quantity	Purchased	Price	Conditions	Quality	Min. qual.	Cost	In stock Available / All
Milk	500	0	@8.65		1.54		@4 325.00	
Behr Products / Cowshed	500	0	@8.65	10%	1.54	=	@4 325.00	121 292 / 135 744
Meat	1 050	0	@49.84		9.57		@52 328.20	
Polemnik1 Invest / Cowshed	50	0	@745.28	10%	1.00	=	@37 264.20	5 247 / 5 247
Independent supplier	1000	0	@15.06	10%	10.00	=	@15 064.00	1000/ Unlim.

Edit | Cancel selected contracts

When opening a warehouse, consider its size, location and specialization. For example, opening a warehouse on Cuba when your factories or stores are located in Liverpool is not a good idea because of logistics expenses.

Vertically integrated companies

The chain length

In SBS Intensive format it takes at least 10 subdivisions to establish a complete chain from mining to selling finished motorcycles.

In SBS Classic format, however, it will take dozens of subdivisions, since the range of products and industries is much bigger.

Analyzing the data and supply chain planning

If you want to know what it takes to produce any type of products, click on «Analytics» > «Reference».

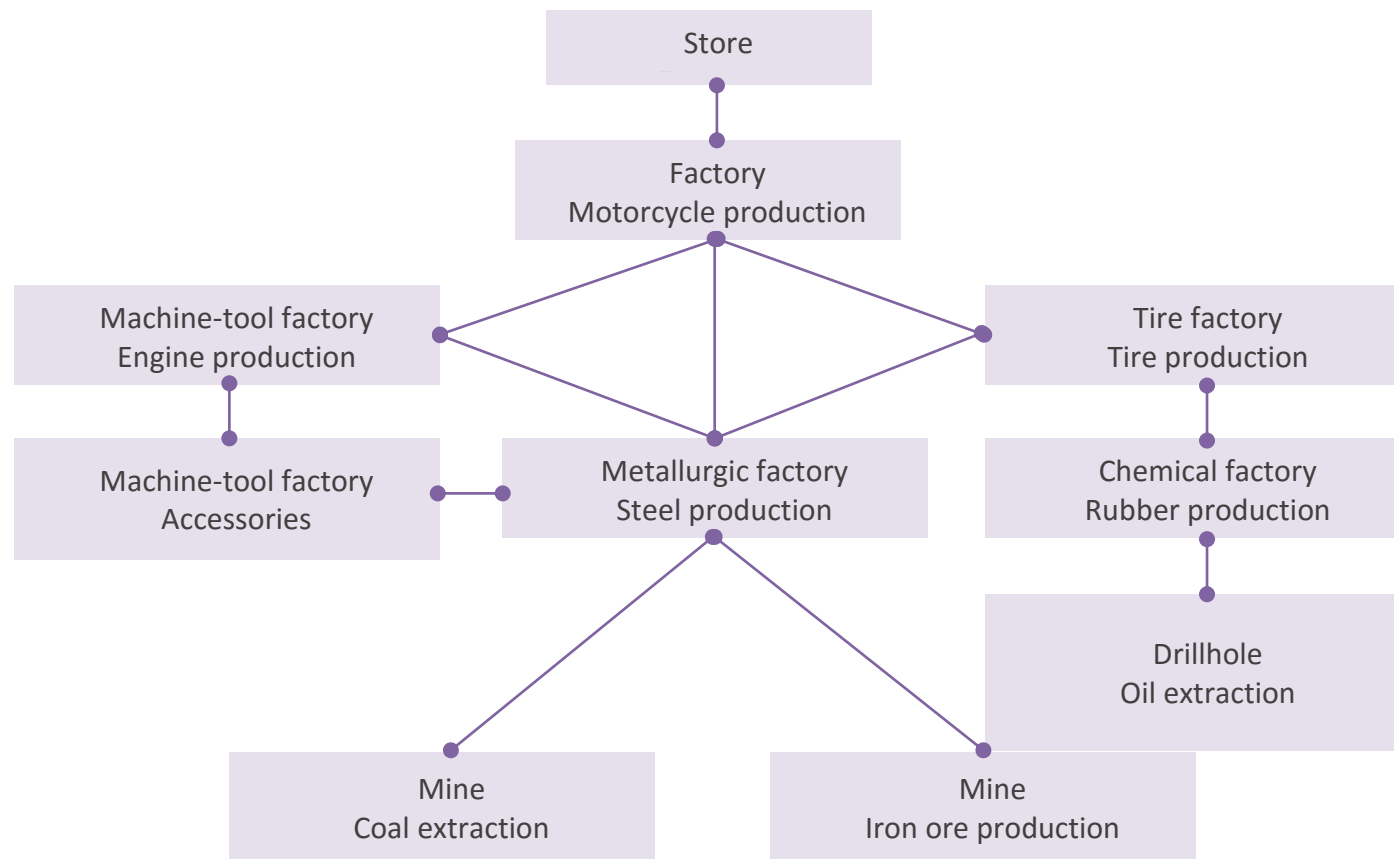
There you will learn about the types of enterprises, raw materials and finished goods. Select the product of your choice (eg, the same motorcycle in „Trade" tab). The system will give you information on the required raw materials and the type of enterprises needed to produce it.

Select the subdivisions that you will need. Conduct the price and quality analysis of your competition. Plan the necessary production volumes. Keep in mind that it takes time (game turns) to build certain types of enterprises (plants, for example).

Bear in mind that building a vertically integrated business can be done gradually, step by step, level by level.

When your store has started generating stable profit, naturally, you will want to expand your business and look for other business opportunities. You can expand your retail network, by opening new stores or you can establish a **vertically integrated company**. In SBS Intensive format, for example, the following supply chain is needed to produce motorcycles.

The key element here is steel production, which is vital in motorcycle and engine and wheel production.



It also takes three subdivisions, which will be responsible for coal and ore mining as well as oil extraction. Several factories will be needed to produce rubber, tires, engines, accessories and, eventually, the motorcycles themselves. Ideally, every subdivision of your company should be profitable, and it is quite an achievement if you manage to make your vertically-integrated company profitable as a whole unit.

Business boosters

Activating business boosters

Go to the main page of a subdivision. Click on the buttons on the top of the page. (see pictures). Select the ones that would match your enterprise and would be effective in accelerating your business.

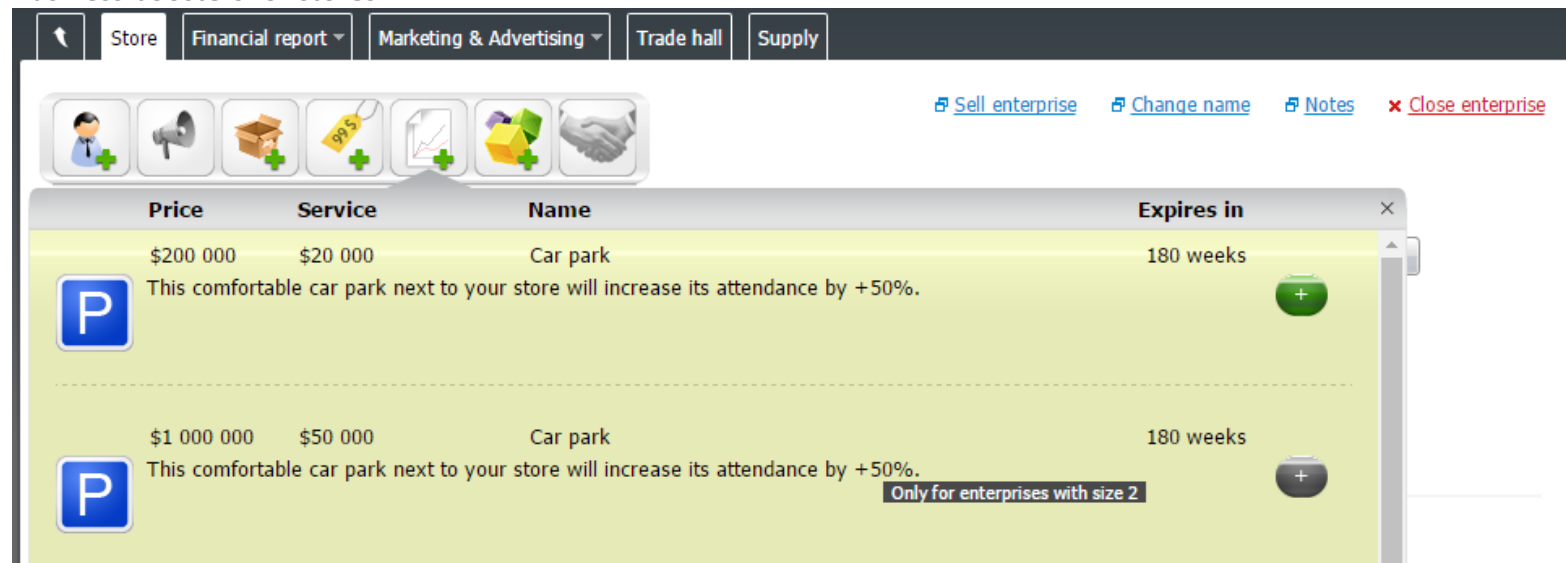
For example, if your qualification in management is quite high, but your store still cannot attract high traffic of customers (although the size of your store is good, the ad campaign is effective, but the store efficiency is still not 100%), so it is better to invest in convenient parking space rather than in installing EPR system.



Information on business boosters

Information on business boosters is available by clicking on «Analytics» > «Reference», «Business boosters» tab.

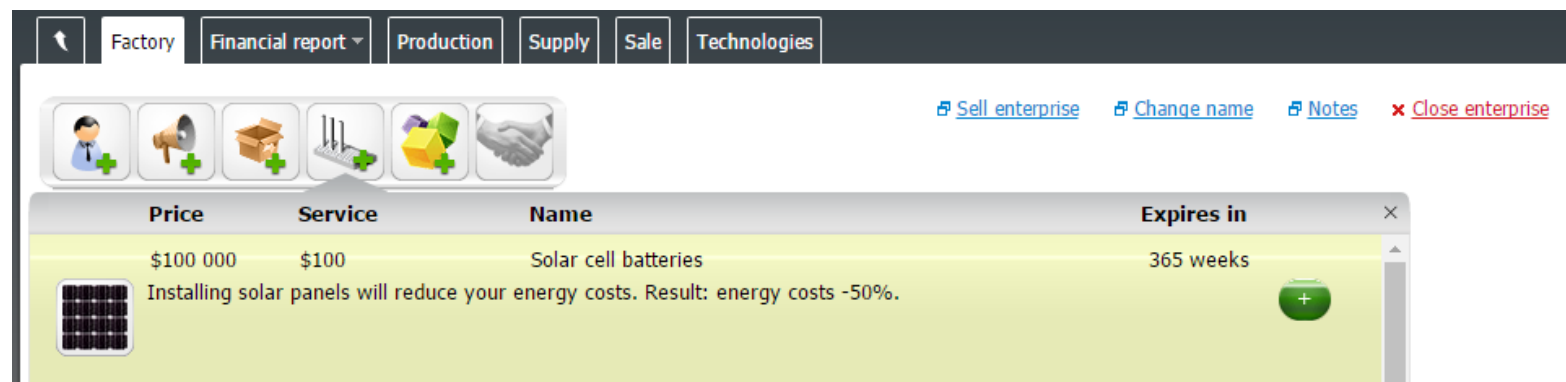
SBS has the function, which can accelerate certain business indicators by means of **business boosters**, like opening parking spaces, launching ERP business management systems, integrate quality control, increasing energy efficiency, etc. Every business booster has its own price, service costs and validity.


Business boosters for stores:



	Price	Service	Name	Expires in
	\$200 000	\$20 000	Car park This comfortable car park next to your store will increase its attendance by +50%.	180 weeks
	\$1 000 000	\$50 000	Car park This comfortable car park next to your store will increase its attendance by +50%. <small>Only for enterprises with size 2</small>	180 weeks

Business boosters for factories:



	Price	Service	Name	Expires in
	\$100 000	\$100	Solar cell batteries Installing solar panels will reduce your energy costs. Result: energy costs -50%.	365 weeks

Reports

The most important factors

Just like in real business, virtual companies have a lot of important indicators. But there are the most important that should be taken into consideration in the first place:

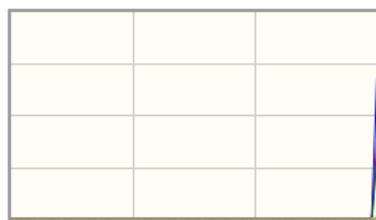
- Money balance** — it is your strategically recourse for opening new subdivisions, purchasing supply, equipment, paying for ad campaign, salary to your employees, rent, etc. Bear in mind that your money resources are not unlimited and excessive investment in products may eventually tie up your money. Poorly calculated expansion or financing expensive projects can lead the company to bankruptcy as well. All operation of a bankrupt company are put on hold.
- Profit** — an indicator of your success, which helps you save money. This indicator is a difference between the revenues and expenses of your company.
- Revenues and expenses** — open number of subdivisions that would generate stable profit. Try to decrease your expenses, while increasing your revenues. Do not expand your business without conducting a proper cost and revenue analysis.

For reports of your company click on «**My company**» > «**Reports**». There are a lot of different types of reports. Financial reports, for instance, show the financial indicators of your company: revenues, expenses, profit, indicators based on regions, subdivisions, products, etc. There are marketing, warehouse, movement of goods reports as well as technology and mineral deposits reports. You can also see the reports of each subdivision of your in «Financial report» tab.

A sample of a financial report of the store, which has been opened only few game turns before:

[Graphics](#)
[Income Statement](#)
[By products](#)
[By purchases](#)

Revenues and expenses



	15 January 68	8 January 68	1 January 68	25 December 67
Revenues	©6 290	©0	©0	©0
Expenses	©3 494	©0	©0	©0
Profit	©2 661	©0	©0	©0
Taxes	©135	©0	©0	©0

Sales by products



	Sausages	©3 272.00 (52.02 %)
	Oil	©1 654.00 (26.29 %)
	Meat	©474.60 (7.54 %)
	Bread	©239.00 (3.80 %)
	Potatoes	©236.50 (3.76 %)
	Milk	©231.66 (3.68 %)
	Sugar	©158.08 (2.51 %)

Your money balance is seen together with your name in the top corner of the homepage:

Evgenii Andreev

©1 982 844.66

A sample of warehouse report: locations, sizes, supply, occupancy:

Financial report ▾	Marketing report ▾	Movement of goods ▾	Mineral deposits	Technology ▾	Warehouse report	Logistics	
Storage expenses, total: €36.36							
City ▾	Subdivision ▾	Size ▾	% Occupancy ▾	Expenses ▾	Resources ▾	Products ▾	Volume ▾
Spain Las Palmas de Gran Canaria	Moto Store	100 sq.m.	<input type="text" value="15.83 %"/>	€19.66	0.00	0.00	0.00
Spain Las Palmas de Gran Canaria	Apparel Store	100 sq.m.	<input type="text" value="3.94 %"/>	€0.65	0.00	-0.31	-0.31
Spain Las Palmas de Gran Canaria	Grocery Store	100 sq.m.	<input type="text" value="0.16 %"/>	€0.00	0.00	-0.39	-0.39

A sample of income statement report:

Item	Week	Previous	Month	Year	Total
Income					
Product sale	€21 240.26	€0.00	€21 240.26	€21 240.26	€21 240.26
Variable costs					
Product purchase	€5 000.00	€0.00	€5 000.00	€5 000.00	€5 000.00
Transport cost	€59.20	€0.00	€59.20	€59.20	€59.20
Customs duty	€1 250.00	€0.00	€1 250.00	€1 250.00	€1 250.00
Salary	€7 664.25	€0.00	€7 664.25	€7 664.25	€7 664.25
Energy costs	€20.86	€0.00	€20.86	€20.86	€20.86
Storage	€36.36	€0.00	€36.36	€36.36	€36.36
Profits tax	€1 455.02	€0.00	€1 455.02	€1 455.02	€1 455.02
Fixed costs					
General production	€1 758.88	€0.00	€1 758.88	€1 758.88	€1 758.88
Facility rent	€20 933.60	€0.00	€20 933.60	€20 933.60	€20 933.60
Management expenses	€217.42	€0.00	€217.42	€217.42	€217.42
Investments					
Building and modernization	€2 504.00	€0.00	€2 504.00	€2 504.00	€2 504.00

Types of reports

Financial reports:

- Graphic.
- By items.
- By regions.
- By industry.
- By products.
- By subdivisions.

Marketing reports:

- Promotions.
- Brands in the cities.
- Stores assortment.
- City retail.
- Service sector.

Movement of goods:

- Purchases by suppliers.
- Purchases by products.
- Sales by consumers.
- Sales by products.
- Inventories.
- Industry.
- Monitoring of various sales.

Mineral deposit:

- Information on all your company's mineral deposits.

Technology:

- Reports on license and technology sales.

Warehouse report:

- Information on all warehouses of your company

Business development strategy
A small-sized company functioning only in one city

A horizontal business development strategy to enter other regions will require the least amount expenses. However, in this case you will depend heavily on the suppliers. Although vertical development requires a lot of money and time investments, your manufacturing enterprises will be of a greater capacity.

A company on a regional scale

Most likely, the scale of the business will allow you to launch the production and research or even mining and processing. Expanding to other regions while having a well-developed production business is an excellent solution as well.

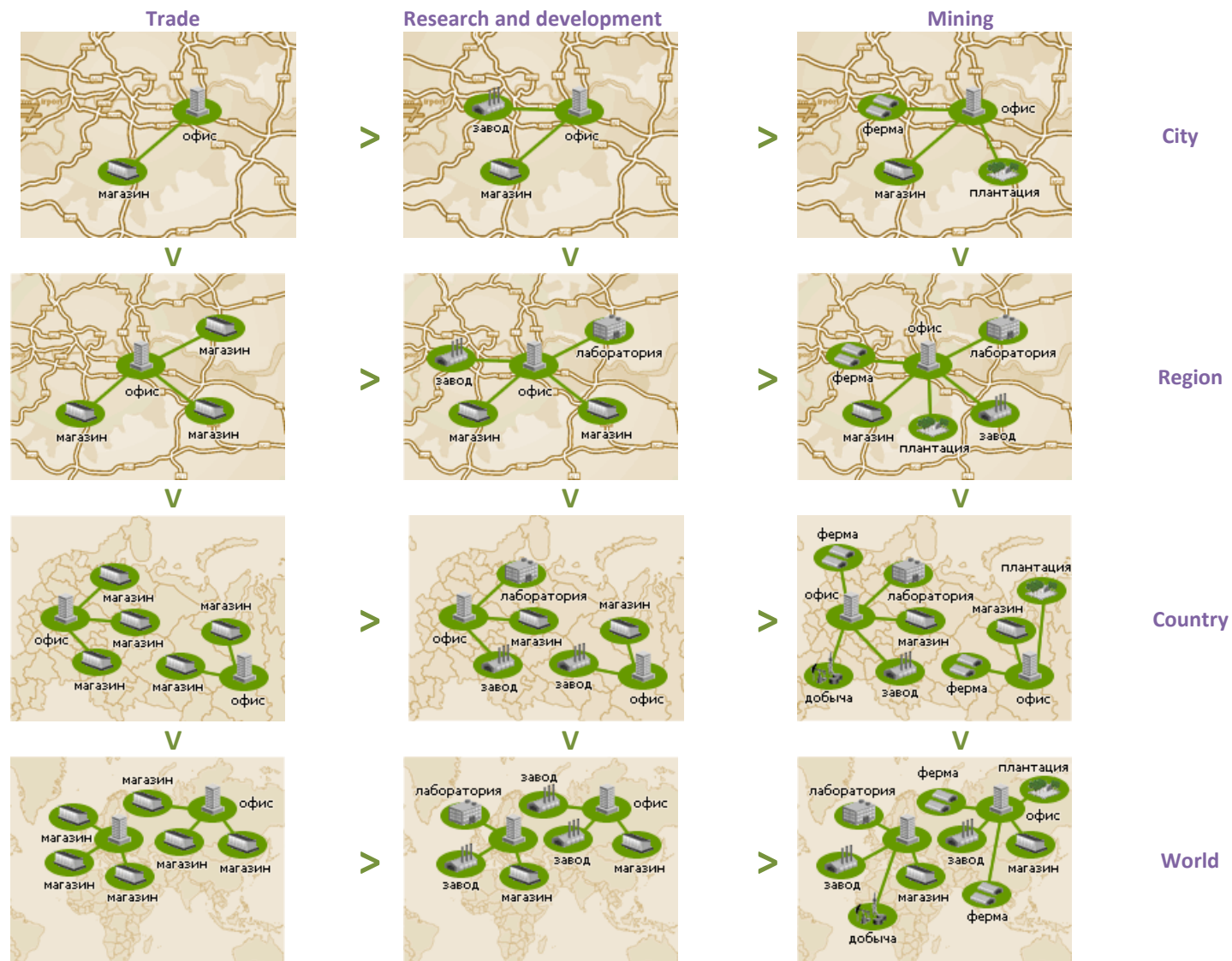
Local company (with branch offices within one country)

Intensify the vertical integration of the company through the development of production and mining, by expanding to other regions. Invest in research, raise the technological level of your production business, and reduce the expenses. Make sure you have a solid foundation for entering other markets.

International corporation

Diversify your business by countries, products, and target segments. Work on improving all business processes, control the expenses. Strive to be one of the top 3 companies in the markets, where you operate.

The following strategic roadmap will be your guide in Simformer Business Simulation world. Select your business development direction depending on what company you received or selected at the beginning of the game:



HR management

The location and qualification of your employees

If you plan to develop high-tech industries, or conduct research, it is rational to establish such enterprises in the cities with high educational level.

The information on the education level of the city can be found by clicking on «Analytics» > «Macroeconomics». In the «World map» tab select the region or the country of your interest. It will show the list of cities, the information on the population, average salary, education level, wealth index, demographic situation.

Types of enterprises and salary

Just like in real life, low qualified employees earn less money, whereas jobs that require the employees to be highly-qualified are normally very well-paid.




For farms and plantations the required salary is only 50% of the city average, for manufacturing - 70%, service sector and stores are equal to the average salary on the market, office employees - 150%, power plant employees - 250%. The employees of laboratories and medical centers earn the most: the salaries are 4 times higher than the city average.

Employee training and development


Try to implement different HR management strategies in your businesses. For instance, you can hire employees that would work for the average city salary, but you will be able to raise their qualification by incorporating employee training.

Your **employees** work on oil rigs, factory machines, offices, stores, laundry services, hair salons. In order to manage your employees, go to «**Employees and salary**» on the main page of the enterprise.

Key factors in HR management:

-  **The required number of employees** depend on the size of the enterprise, the number of equipment units. The system will give hints on the number of required employees.
-  **The required qualification** depend on the education level in the city and the equipment level: the higher the technological level of the equipment is, the more qualified employees are required.
-  **The salary** should be based on the city average and the required qualification.


If you manage a huge international corporation, you will find the automated HR management function very useful. It will save your time, by adjusting the salary every game turn based on the qualification and technological requirements.



Office

Location Las Palmas de Gran Canaria

Current assets of managing company: €1 982 844.66

Number of employees	<input type="text" value="4"/> <div style="text-align: center; margin-top: 5px;">  </div>
Salary	<input type="text" value="410.79"/> € <div style="margin-top: 5px;"> Average city salary: €450.00 Maximum salary for self-correction: <input type="text"/> Expected salary expenses: €1 643.17 Expenses for hiring (for dismissal): €0.00 </div>
Maximal number	10 Employee training
Expected level of staff qualification	<input type="text" value="4.00"/> (City average 4.80, 1.00 required) (the qualification to which the HR Department will adjust salary) <input type="radio"/> The HR Department adjusts salary every update <input type="radio"/> The HR Department is adjusted to the technology requirements <input checked="" type="radio"/> The HR Department is not working

Save changes

Cancel

Marketing and advertising
Marketing reports

There are a lot of marketing reports, which will help you make the right decision.

Geographical locations

«Analytics» > «Macroeconomics».

The information included in the report:

- Available countries, regions, cities.
Demographical situation, tax fees, average city salary, the changes of the key indicators (after selecting of a specific city).
- Transport: logistics expenses from point «A» to point «B», minimal import and export fees.
- Renewable resources: Resource/City.

Market analysis

«Analytics» > «Market Analysis».

The information included in the report:


Market volume, key competitors, competition level for retail, service sector.
Trends in prices, quality, brand (after selecting a certain location).

Company reports

«My company» > «Reports».

Financial reports (sales reports by products and subdivision), marketing reports (product range, brands, promotions, service sector and retail), sales in the context of goods and consumers.

The marketing process in the simulation is based on a popular 4P concept:

(Product)	<p>The product must be in-demand in the market and have attractive price, quality and brand. Before launching a new product or starting a manufacturing business, conduct a detailed analysis of your competition, the average city price, best price offers, quality and brand.</p> <p>There are competitors in the market, compete with them, so you will have an advantage over them in at least one of these parameters. If the product is new to the market, then you have a lot of room for experimenting.</p>
(Price)	<p>Price is one of the most important factors. It is responsible for the overall product perception by the customers together with quality and brand.</p> <p>As like in real life, the prices in the simulation can change with every game turn, since the virtual economy is created by the actions of thousands of users worldwide. Pay attention to price changes and new significant competitors. Experiment with prices.</p>
(Place)	<p>Location is a very important factor for certain subdivisions. For example, if you plan to work with VIP customers and offer them high-quality goods of high-end brands, the store should be located in the city center or trendy neighborhood.</p> <p>The qualification of employees and their ability to provide quality service to all visitors are also important.</p>
(Promotion)	<p>Advertising helps sell the products. Depending on your targets, the advertising campaign can be focused on promoting the product or subdivision:</p> <p>Advertising the product — massive ad campaigns. They are implemented in the offices (see «Advertising» tab) and is working in the whole region, where the office is located. Such campaign influence the «Brand» category of your product.</p> <p>Advertising the subdivision — local advertising campaigns. They are set in a specific subdivision of your company (e.g. store) in order to increase the popularity of the product and customer traffic of that particular store. You can find more information on advertising in SBS in chapters «For new users» > «Advertising».</p> <div data-bbox="869 1222 958 1310">  </div> <p>Apart from advertising campaigns, we recommending using business boosters, which are able to enhance the promotion of your products and subdivisions. You can choose them on the homepages of subdivisions.</p>

Production

Production Management

Before opening a factory, conduct competition analysis, evaluate their technology level, the quality of manufactured goods, prices, sales volumes and key buyers.

Make sure your factory has enough employees and the right equipment. Pay attention to the wear and tear condition of your equipment and repair it on time.

Keep an eye on the suppliers with the best offers, the changes in the prices and quality, the supply delivery limitations per game turns.

You can order from one supplier or several. You can store some amount of raw materials in case of product delivery failures. But it will put some of your assets on hold.

Improve your production business by selecting business boosters (on the factory's homepage.):



Manage your sales volumes — sell only to your own subdivisions, to the companies of particular players or make your products available for purchasing to every participant of the simulation.

Production is a very exciting option in SBS. With a vast choice of available industries, you can establish a huge vertically-integrated company with its own supply chain. The finished goods are sold to the enterprises of real participants of the simulation.

For high quality production you will need: high level of technology (see factory's «Technology» tab), equipment based on the technology requirements (purchase of equipment is done on the homepage of the factory) and employees and appropriate qualification. The system will give hints on the required level of equipment and employees. You will also need the right amount of raw materials. If you strive for a successful production business, make sure you have all these requirements met.

A sample of motorcycle production report:

		% Заполнение	Расходы	Ресурсы	Произвция	Объем
		1.71 %	€10.29	0.00	+0.0556	+0.0556

Продукт	Выпуск	На складе	Объем заказов	Свободно	Цена	Политика сбыта	
Мотоцикл	Количество	5	Количество	55			
	Качество	2.46	Качество	5.73	0	55	1600
	Себестоимость	€9 222.72	Себестоимость	€839.34			Максимальный объем: 5 Любому покупателю

Take a closer look at the following factors:

- Before the production processes started there were 55 motorcycles of 5,73 with prime cost 839,34 available at the warehouse. Every game turn the factory produces 5 motorcycles of 2,46 quality with the prime cost of 9222,72. When newly produced motorcycles will be transferred to the warehouse for sales, their quality will be the average of the two. It will happen every game turn. Bear in mind the quality of the newly produced goods when setting the selling price.
- The conditions of the contract state that the motorcycles can be sold to any customer. There 55 units available for delivery, but the maximum purchase volume, however, is 5 units. This will ensure the availability of the products in the warehouse. The occupancy of the warehouse is less than 2%, which means that there is enough of space at the warehouse, and you will not need to use external warehouses.

Selling the finished goods

Managing your sales volumes

You can manage your production sales in factories, warehouses, mines etc. , by setting the selling price, the sales volume per game turn and select the conditions of the contract — selling the finished goods only to your company, to particular companies of other participants, sell to any participant or to no one at all.

Price	Distribution policy
<input type="text" value="0"/>	Maximum volume: <input type="text"/> Not for sale Not for sale To any customer Only to certain companies Only to my company Only to members of the corporation

Selling the production of a vertically integrated business

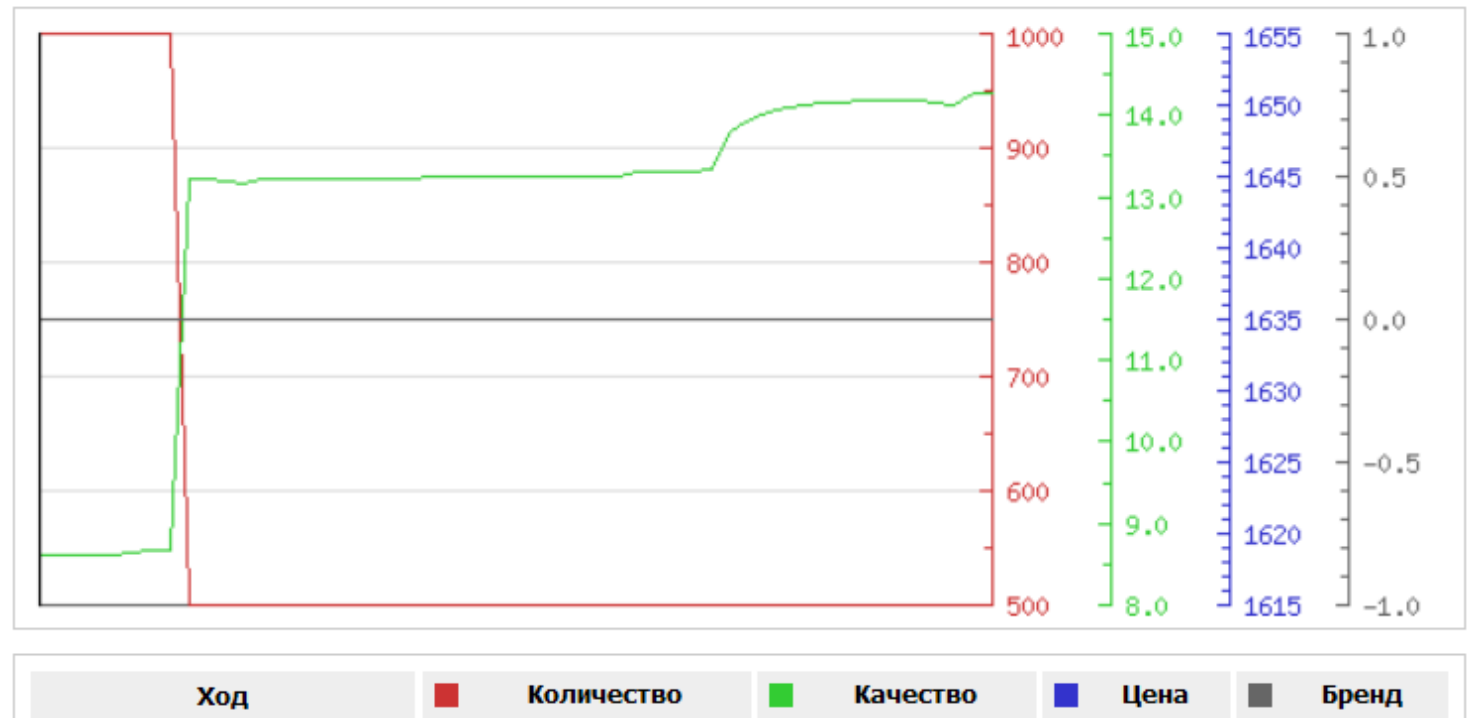
If your goal is to build a company with its own supply chain, from mining to selling the finished goods, strive for the profitability of not only your company as a whole, but each subdivision individually.

When selling among the subdivisions of your own company, consider prime costs and selling prices, transport expenses, taxes.

Try to optimize the whole supply chain, so as to minimize the expenses and get maximum benefit from the right location and tax policy.

The customers of a retail business are computer-generated. Customers can purchase products in retail stores, gas stations, etc. buy services in -laundries, hair salons, medical centers, etc. All other customers, who buy raw materials, finished products are real participants of the simulation.

Example of the dynamics of sales in the store:



One game turn in Simformer Business Simulation environment equals to one week. The figure shows that the quality of the period increased by almost two times, the price remained the same, but the sales, dropped from 1 000 to 500 units. It happened, most likely, because, all available products in one game turn are selling out very quickly. Therefore, you need to increase the volumes of supply experiment with increasing the prices.

R&D: research, buying technologies and licenses

Research

If you want to conduct your own research, first, you need to open a laboratory, hire adequately qualified scientists and purchase the equipment of appropriate quality.

The larger the laboratory is, the higher the level of technology can be developed.

There are three stages of research:

- Initial hypothesis.
- Hypothesis processing — select the hypothesis, which will be tested.
- Technical testing.

Each stage can take several game turns. The invented technologies can be implemented in your own enterprises or be sold in a form of usage licenses to other participants.

Purchasing of a license

In order to buy a license click on the «Technologies» tab in the enterprise, the technology level of which has to increase

The licenses can be purchased at auctions.

Purchasing of a technology

Click on the «Technologies» tab in the enterprise of your interest.

The buying of technologies is not complicated — just select the need technology and pay the technology and its implementation price.

The **technology level** of an enterprise (just like the qualification of the employees, equipment and raw materials) has a huge influence on the production quality and staff efficiency. The technology level can be improved by conducting research in laboratories, buying licenses and technologies.

Every method has its own specific nuances. For example, the process of conducting your own research will take time, but eventually you will be able to implement a new technology or sell it to other participants. Although the purchasing of a license or technology is the fastest way to improve the technology level, you will need to pay for it right away. The licenses normally cost less than technologies. But licenses are implemented only in one enterprise, whereas technologies can be implemented in all enterprise of the same type.

A sample of technology implementation prices of 1, 2 and 3 level at a pet food factory:

Technology level	Technology cost	Cost of introduction	Total cost
<input type="radio"/> Level 1	\$0.00	\$62 020.54	\$62 020.54
<input checked="" type="radio"/> Level 2	\$0.00	\$0.00	\$0.00
<input type="radio"/> Level 3	<u>\$13 368 574 074.07</u>	\$171 679.85	\$13 368 745 753.92

Example of license purchase application:

Manage your order

Level:

Maximal price:

Type:

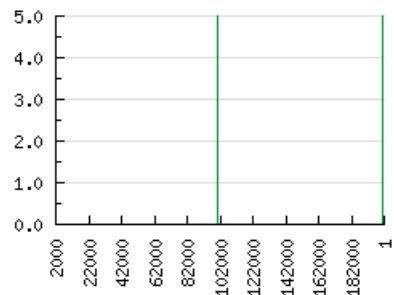
 Competitive

 Not competitive

In case if the order that you have placed is not competitive, it will get the average market price (generated during trade of competitive orders).

Transient:

Transient order becomes uncompetitive in case if it didn't meet the requirements during competitive orders trade.



* Prices are shown in thousands

	Competitive		Uncompetitive	
	Total	Met the requirements	Total	Met the requirements
Demand ■	0	0	0	0
Supply ■	10	0	0	0
Average price	\$0.00			

Select the required level of technology and the maximum amount you are willing to pay for a license.

The competitive application is when the price that you offer does not exceed the given price, not competitive – average market price. In this case, it can be any price, but the purchase opportunity increases.

The applications are processed during the game update.

Equipment: purchasing, repairing and removing

Automatic repair

If you have an equipment auto repair function in your enterprise, the system will monitor the condition of your equipment every game turn and automatically repair it if needed.

You can set the replacing equipment quality and price range.

It is also possible to set the supply of equipment from your own subdivisions (in case they manufacture the required equipment).

There is some sort of **equipment** in any type of enterprise: computers (offices), machines (factories), work-out equipment (fitness centers), trawlers (fishing bases), research equipment (laboratories), etc. The equipment is selected based on the technology level of your enterprise. High technology levels require high quality equipment. While, the quality of the equipment depend on the qualification of your employees.

Equipment tends to wear out due to constant exploitation and needs to be repaired. Go to «**My company**» > «**Management**» to manage the equipment in all your company.

All

All types ▼

Advanced filter +

Operations with equipment of selected manufacturers

Buy...
Repair...
Write of

Automatic repair of selected enterprises

Turn on...
Refuse...
Upgrade...

	City ▲▼	Subdivision		Equipment						
		(sort by name) ▲▼		quantity		quality		wear and tear ▲▼	Eff. ▲▼	
		(sort by type) ▲▼		un. ▲▼	max. ▲▼	un. ▲▼	required ▲▼			
<input type="checkbox"/>	Las Palmas de Gran Canaria		Office	4	10	1.00	0.99	1.92 % (0+1)	2.20 %	
<input type="checkbox"/>	East Ukraine		Office	4	10	1.00	0.99	1.92 % (0+1)	100.00 %	
<input type="checkbox"/>	Las Palmas de Gran Canaria		Restaurant	5	20	1.00	0.99	0.96 % (0+1)	2.60 %	
<input type="checkbox"/>	East Ukraine		Bread Factory Bakery	10	100	2.30	2.26	0.96 % (0+1)	100.00 %	

Show by: 10 25 50 100 200 400
Page: 1

There are equipment buying, repairing and removing functions on the home page of each enterprise. («Equipment» and «Automatic repair»):

Equipment quantity	2 500 pcs. (maximum 2 500)
Equipment quality	28.78 (required according to the technology 2.16)

[Equipment](#)
[Automatic repair](#)

Finance

Cash inflow and outflow

During the game update, the system calculates your cash flow:

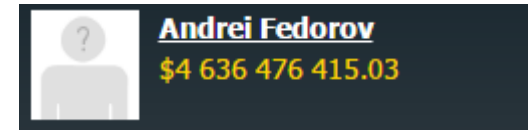
- Supply and products purchasing expenses.
- Rent expenses (stores, warehouses, offices, etc.).
- Employees' weekly salary.
- Employee training expenses.
- Revenues from sales.
- Списания (поступления) в случае покупки (продажи) лицензий.
- Expenses of opening new subdivisions or changing their size.
- Advertising expenses.
- Tax fees.
- Profit from the sales of subdivisions at auctions.

The following expenses are calculated **instantly**:

- Employee hiring /dismissal payments.
- Opening offices, stores, warehouse, etc.
- Changing stores' size and location,
- Purchasing mines and oil wells, etc.
- Buying business boosters

At the beginning of the simulation, you will always receive a certain amount of money. The amount can vary, but they are necessary to maintain your company's processes and open new subdivisions.

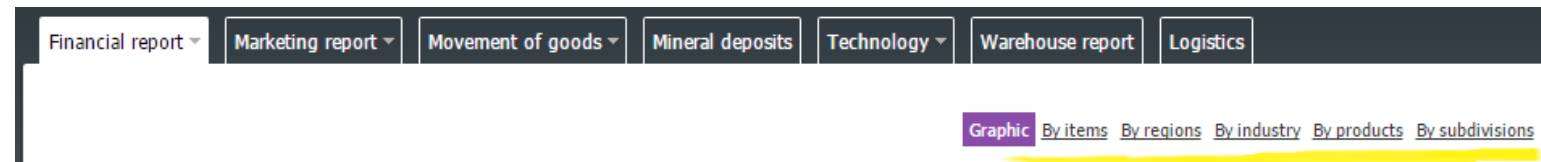
The amount of your money funds is indicated on the top of your company's homepage. It is always visible whenever you perform any actions in the simulations (purchasing supplies, hiring employees, etc.)



Factors to consider when managing the money funds of your virtual company:

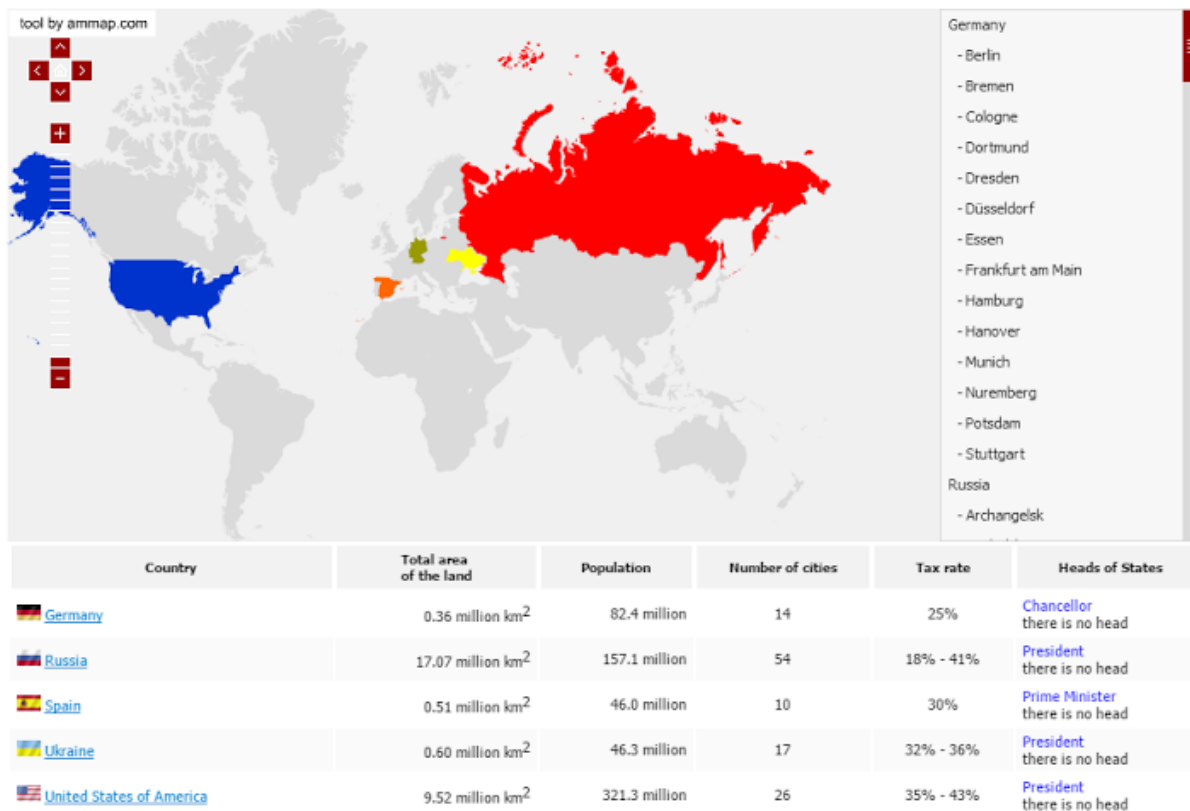
- 👉 Cash inflow and outflow. Some operations are calculated during the game update and some are calculated instantly.
- 👉 Carefully assess your business development expenses or the costs of improving the technology level.
- 👉 Pay attention to the available stocks of raw materials and finished products at your warehouses. On one hand, they ensure the stability to your business. On the other hand, your money are tied up in those stocks when they could be invested into your company's growth. Find the right balance between stability and business development.
- 👉 Your company' account is replenished by company's profit.
- 👉 In case of the shortage of money, you can sell some of your businesses at an auction. But it may take some time, and you cannot be certain how much money you will be able to gain. The process of selling the business should be planned beforehand, a few game turns prior.
- 👉 If the money balance of your company has been negative for more than 10 consecutive game turns, your company is declared bankrupt. In this case, the management function of your company is stopped, and the company is put up for sale. If the company recovers after the sale of some of the businesses and the money balance is positive again, the management function is restored.

There are a lot of reports on the financial situation of the company as a whole and its separate subdivisions. You can find them by clicking on «**My Company**» > «**Reports**» in the «**Financial report**» tab on the homepage of each separate subdivision.



World map

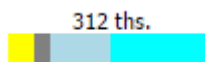
The world map in SBS is identical to the real geographical map. The only difference is the number of available countries in SBS. There are 5 countries in Intensive format and 36 in Classic. You can see the SBS world map by clicking on «[Analytics](#)» > «[Macroeconomics](#)».



General information on the countries includes the number of cities, population and tax rates. For the detailed information on the cities (population, average salary, unemployment rate, education, etc.) select the country or a region:

City	Population ths.	Average city salary	Unemployment rate	Education level	Wealth level	Demography	Mayors
New York	8 406 ▼	€1 540.00 ▼	23.85 %	8.50 ▼	1.56	8 406 ths.	no mayor electors activity is high

Every city has its own demographic profile. An example of Ivanovo (Russia):



Employment types:

- Employees at the enterprises owned by other participants
- Employees at computer-generated enterprises
- Civil servants
- Non-working population
- Unemployed

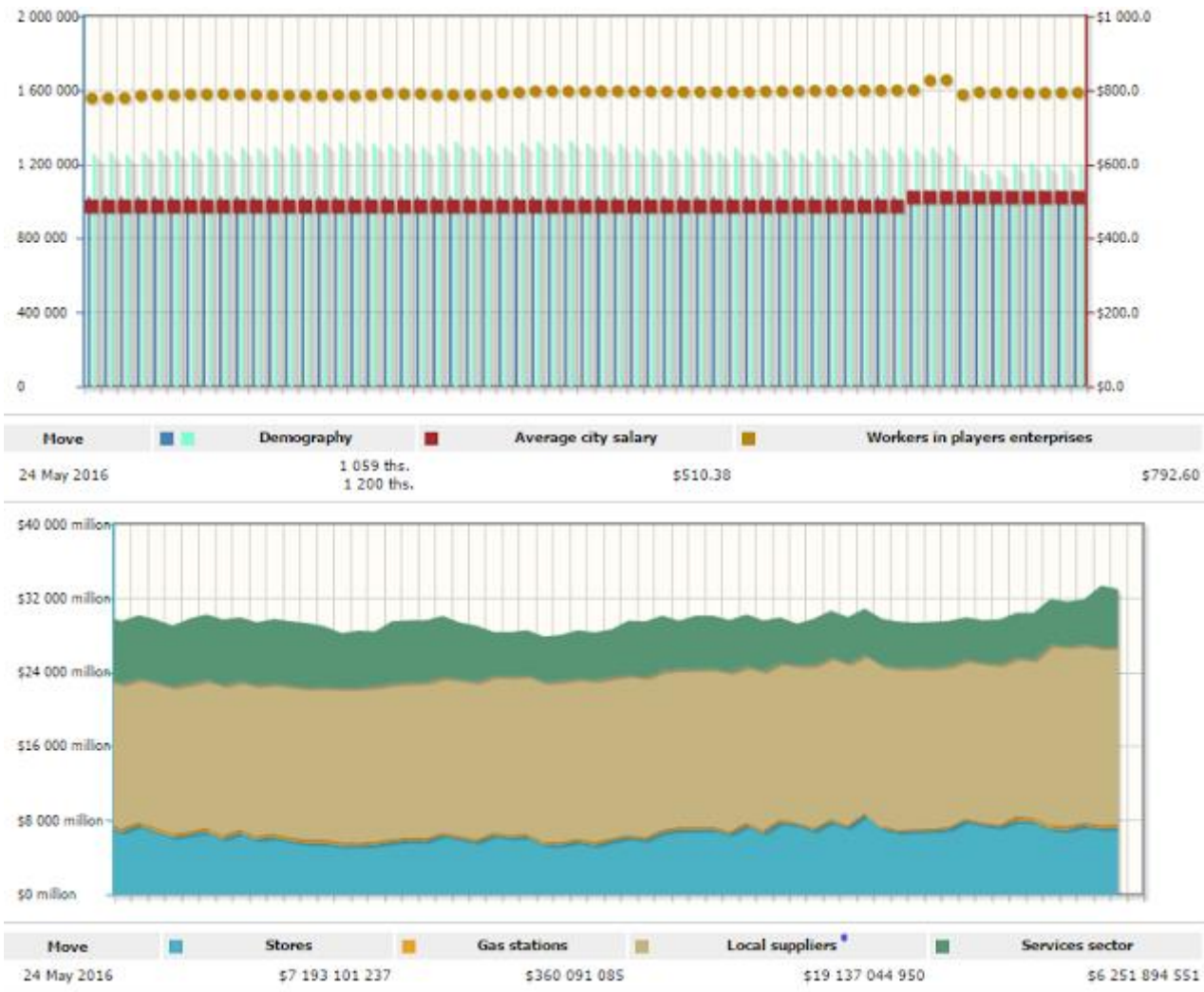
City indicators

There is archived information on key indicators in every city:

The main factors

When selecting a city to start your business, pay attention to the following factors:

- **Population** — it gives an overview of the potential market size.
- **Average city salary** — the level is normally higher in bigger cities.
- **Unemployment rate** — on one hand, high unemployment reduces the market potential. On the other hand, the unemployed can easily become your employees.
- **Education level** — abstract indication of average employee qualification in the city.
- **Wealth level** — abstract indication of population's buying power in the city. It is calculated correlation of city population and the size of retail market.



Additionally, there is data on rent costs, renewable resources (agricultural products, wood, etc.) and seasonal variations.

Taxes and fees

Tax and fee rates

Just like in real life, the virtual companies in Simformer Business Simulation have to pay certain taxes and fees:

- **Custom duties** — are applied in export and import operations. Their rates depend on the product / raw material.
- **Income tax** — the main tax. Applied in trading (wholesale, sales of products produced by your factories, sales in stores), and services. The income tax rates vary according to region. The dividends are transferred during the game update.
- **CTIE rates** — a minimum tax deduction sum; applies only to production subdivisions. It is deducted only when the products were sold at a price lower than their prime cost or if the enterprise's income is lower than the income tax rate. In all other cases the income tax is applicable. The tax rates vary based on regions.
- **Technology and licenses sales tax**. 7% rate.
- **Property sale tax** (when selling subdivisions). 10% rate.

The information on the taxes and fees that are applied in SBS virtual world can be found by clicking on the «**Analytics**» > «**Macroeconomics**» tab.

A sample of customs duties on export and import in Russia (select the country and click on the «Custom duties» tab):

World map
Transport
Demography
Resources
Canada ▾

[List of regions](#)
Customs duties
[The Council of State](#)

IP - indicative price | customs duties = max(stated price, IP) x Customs rate

Name		Exp.	Imp.	IP	Name		Exp.	Imp.	IP	Name		Exp.	Imp.	IP
Natural resources														
	Bauxite	5%	23% -1%	\$100.00		Chemical minerals	5%	23% -1%	\$7.00		Chrome	5%	23% -1%	\$80.00
	Clay	5%	23% -1%	\$3.00		Coal	5%	23% -1%	\$25.00		Copper pyrites	5%	23% -1%	\$80.00

Information on the tax rates in a specific region of the country (Russian Far East). Select the country and click on «Region».

Регион	Общая площадь территории	Население	Ставка налога на прибыль	Количество городов
Дальний Восток	6 215 тыс. км ²	7 066 тыс. чел.	19.00 % ▲	4

A sample of CTIE rates in Central Russia (select the region and click on the «CTIE rates»):

World map
Transport
Demography
Resources
Russia ▾
Far East ▾

[List of cities](#)
CTIE rates
[Tariffs for the electric power](#)
[Governor's Council](#)

Common tax for imputed earnings (CTIE) indicates the **minimum** sum to be paid in favour of local budget. It is calculated as follows:

Common tax for imputed earnings = ECx(Goods_{ETR}/100)x(PT_{rate}/100) , where:

EC — estimated cost of produced goods;
 Goods_{ETR} — Common tax for imputed earnings rate (%) for the current goods (**Common tax for imputed earnings rate**, see the table);
 PT_{rate} — profits tax rate in the current region.

Name		CTIE rate	Name		CTIE rate	Name		CTIE rate
Natural resources								
	Bauxite	100 %		Chemical minerals	100 %		Chrome	100 %
	Clay	100 %		Coal	100 %		Copper pyrites	100 %
	Diamonds	100 %		Gold	100 %		Iron ore	100 %

Transport and rent expenses, energy consumption costs

Transport expenses

In some cases, transportation expenses and customs duties can have a significant impact on the selling price of the product.

For example, the manufacturer's price of one potato is \$ 0.09. The shipping of potatoes from Shanghai to Cologne and customs duties will cost \$ 0.06 per each potato, and that is ~ 66% of the price.

The selling price and the price with shipping expenses and customs duties is indicated when ordering products:

Supplier's price	Price
\$600.00	\$668.64
\$900.00	\$913.76

Supplier's price — selling price.

The price — the total price, including transport expenses and custom duties.

Rent

Premises for offices, stores, warehouses, restaurants, hair salons, laundries, etc. are for rent. You can rent the required premises in one game turn (the actual building of the subdivisions take longer than that).

Just like in real life, the shipping of products in SBS cost a certain amount of money. The information of shipping costs are available by clicking on «**Analytics**» > «**Macroeconomics**», select the «**Transport**» tab. Select the product category and the departure city:

City	Distance	Deliver one	Export, not lower than	Import, not lower than	IP
Vladivostok	-	\$0.71	\$0.71	\$0.71	
Birobidzhan	636 km.	\$2.37	\$2.37	\$2.37	
Khabarovsk	645 km.	\$2.37	\$2.37	\$2.37	
Vanadzor	6 879 km.	\$3.27	\$0.90	\$4.17	\$0.60

Energy tariffs of certain regions of the country or the whole country can be found by clicking on «**Analytics**» > «**Macroeconomics**», just select the required country or region.

[List of cities](#)
[CTIE rates](#)
[Tariffs for the electric power](#)
[Governor's Council](#)

Industry	Products	Tariffs for the electric power
Electric power for cities		\$80.00 / MWh
Agriculture		\$50.00 / MWh

The rent costs of the cities by clicking on «**Rent**»:

[Information on the city](#)
[City Hall](#)
[City resources](#)
[Rent](#)

Class of subdivision	Rent 1 thousands m ²	Office rent for one employee
Office	-	\$256.00
Store	\$26 135.00	-

Renewable resources

Report on products' seasonality

For the information of the city's renewable resources, click on «Analytics» > «Macroeconomics», and choose the «Resources» tab.

For specific reports click on «Analytics» > «Market analysis» and select the «Resources» tab.

Seasonal businesses

Agriculture business (farms, plantations) are actively developing only during a certain part of the game year. The seasons of sowing, ripening and harvesting vary according to different types of crops.

When the harvest season comes to an end, the employees of the agriculture subdivision are dismissed, but general expenses are still applicable.

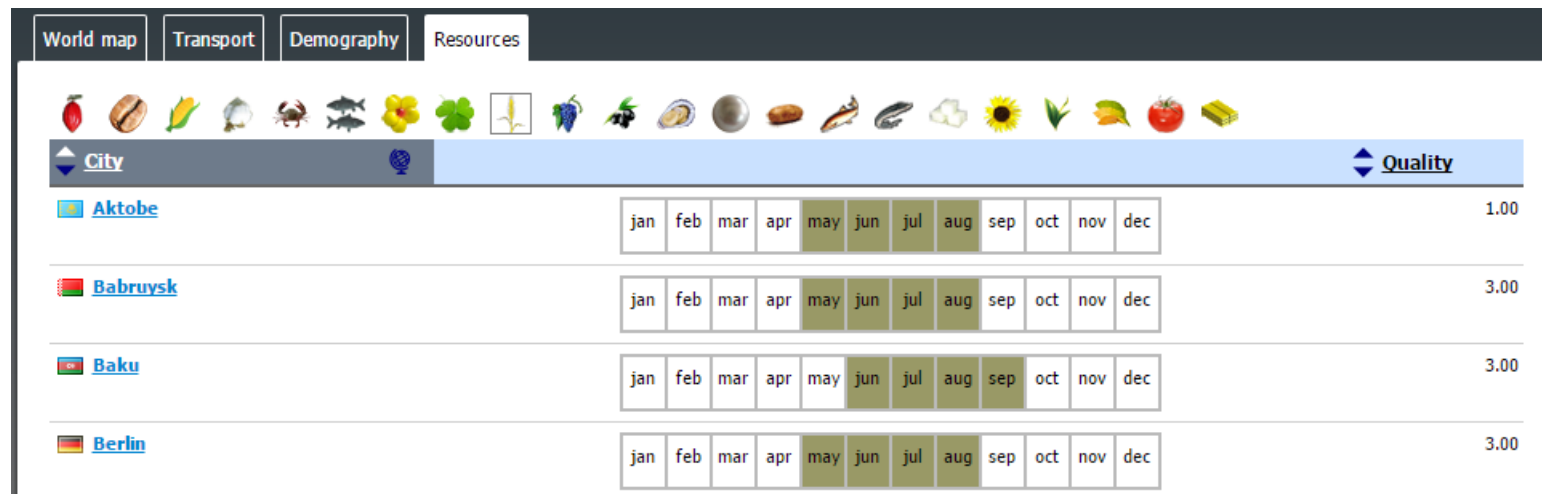
When you open farms, you can start the sowing process during this exact virtual year. Fruit plantations give crops only the next year.

The geography of agriculture business

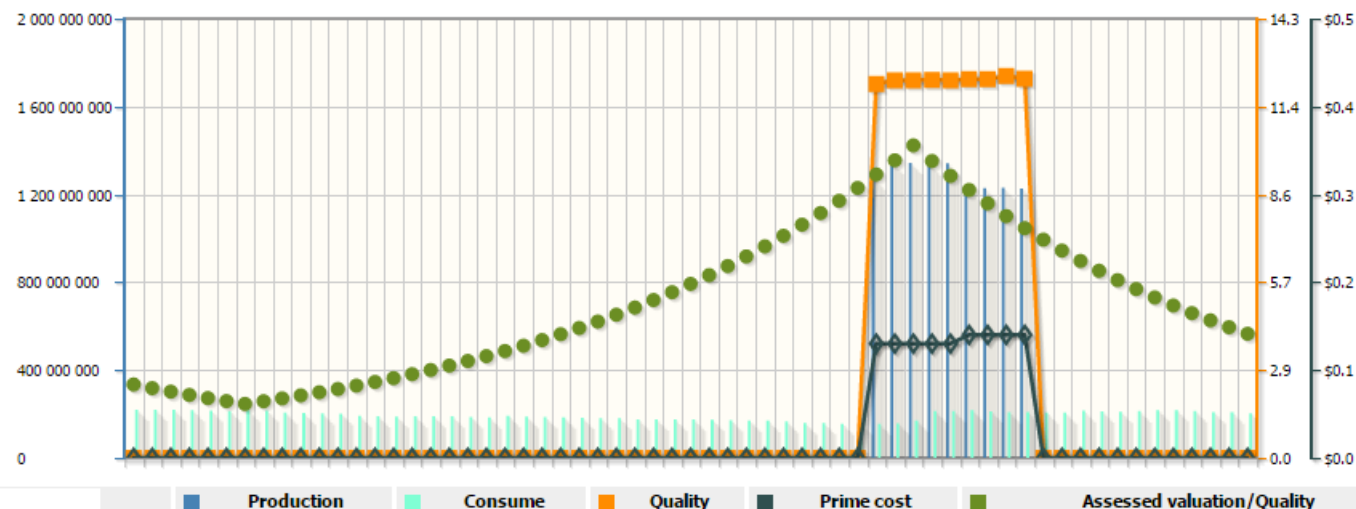
Just like in real life, growing certain crops strongly depend on geographical aspects. Each renewable resource depend on certain environmental conditions and geographical location. (You cannot grow coffee in Norway, for instance).

Wood, agricultural and fishery products are the renewable resources that vary according to each city. Production of certain resources do not depend on seasonal variations (wood manufacturing or pearl fishing, for example). However, agriculture business depend heavily on seasonality.

A sample of harvesting calendar in specific cities:



The seasonality is depicted in crop cultivation reports:



Retail

Market development index

For quick assessment of market potential a market development index can be used. It can be found in «Market analysis» > «City Retail»:

[Market development index](#): [wiki](#) **E**

The index rating:

- **AAA** — oversaturated market, supply exceeds the demand by more than three times.
- **AA** — oversaturated market, supply exceeds the demand by more than two times.
- **A** — oversaturated market.
- **B** — saturated market.
- **C** — initial stage of saturation.
- **D** — market is not saturated.
- **E** — market is not saturated, the local suppliers' share is more than 50%.

Sample report analysis

The market development index is «E—D» (for various regions in Russia), it means that the market has a potential. Two key players make one fourth of the market in total (sales volumes for both are 150 000 units and the whole market volume is 600 000 units.).

Local suppliers offer the product with a quality little higher than a unit at a price of about 1400. The market leader offers the product of a high quality (about 78) at price of 700. The products offered by another player are of a quality about 30 and price of 230. Both offers are clearly more attractive than the market average (the price is lower, whereas the quality is higher). Use this information as a guide before launching a product.

For market analysis click on «**Analytics**» > «**Market Analysis**». The information on market situations is categorized based on the following sectors:

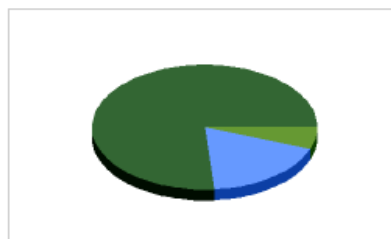
City retail [Best stores](#) [Services sector](#) [Sales volume](#) [Wholesale trade: price-quality](#) [Products](#)

Retail market reports are one of the most important in the simulation. It includes information about the consumer market: products price and quality, market maturity and capacity, key players, etc. The information can be filtered based on specific geographic location that will help assess the selling potential of your product.

A sample of underwear market report in Russia:

Одежда и обувь

Индекс развития рынка: [wiki](#) **E-D** Объем рынка: **599 312 ед.** Количество продавцов: **3** Количество компаний: **3**



- Местные поставщики 76.32 %
- Maxi-Co LTD 17.96 %
- Прочие продавцы 5.71 %

	Местные поставщики	Магазины
Цена	\$1 418.34	\$1 427.28
Качество	1.39	2.63
Бренд	-	0.08

Крупнейшие продавцы						
Магазин	Размер	Район города	Объем продаж	Цена	Качество	Бренд
Магазин Модной Одежды Maxi-co Maxi-Co LTD	100 000	Центр города	более 100 000 ед.	\$700.00	78.06	0.00
Центральная Россия – Москва						
Одежда Клевер	100 000	Центр города	около 50 000 ед.	\$230.00	30.28	4.12
Сибирь – Новосибирск						
Store Meijer Ltd.	100	Центр города	менее 50 ед.	\$671.58	1.05	0.00
Центральная Россия – Воронеж						

Market analysis: specific indicators

Sample report analysis

Competition on the market is moderate - the development index is "E". Approximately 2/3 of the market belongs to local suppliers - computer shops and the stores, which offer products on the market, since there are no real participants with such offers. Just over a third of the market is controlled by a real participant.

The market volume is stable and has not drastically changed. The products' brand is zero.

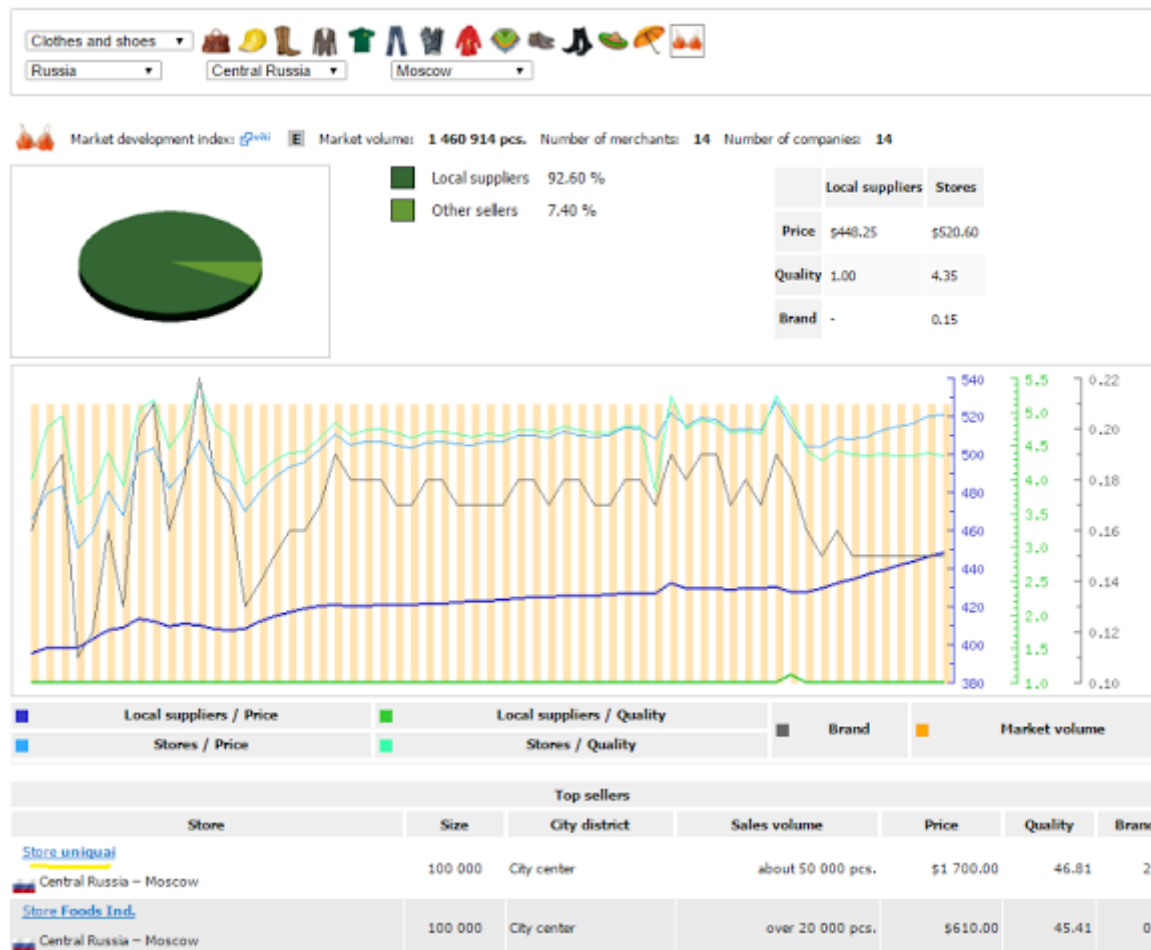
There is a positive trend in quality and price dynamics in local stores. It is a reaction to the actions of a real participant, who has entered the market with a product of a higher quality and price. Local suppliers have also begun to raise the prices and quality of their products to remain competitive.

Competitions assessment

You have the opportunity to see the behavior of your competition. Click on the subdivision of your competitor in the competition report (in the example of the report "store») or just a company name («uniquai»), in the second case, you will see the whole list of subdivisions of your competitor.

For detailed market and competition analysis select the city of your interest. You will receive information on key indicators.

A sample of detailed underwear market report in Moscow:



Competition analysis: products, sales, enterprises

Competition assessment

The store is of the biggest size possible - 100 thousand square meters. It specializes only in selling clothes and shoes (there's only one department).

The store is of an elite service level, which means that the number of employees and their qualifications are of a relevant standard, the size of a trade hall meets the customer traffic flow.

In order to increase the traffic, you can select the following options:







- Parking. One of the business boosters (available on the store's homepage).
- Advertising campaign

The store offers a wide range of products. The products that sell the most are the ones with a price higher than market average, their quality is also significantly higher than city average.

Select the competitor of your choice In the «**Market Analysis**» tab. You will see the whole list of their enterprises. By clicking on a specific enterprise you will see a detailed report of its activity.

Subdivision of a company [uniquai](#)

Location	Moscow (Russia , Central Russia)
City district	City center
Trade area	100 000
Number of departments	1.00
Popularity	547.26
Number of visitors	about 1 000 000
Service level	High

Product	Sales volume	Quality	Brand	Sale price	Market share	city average		
						Price per week	Quality	Brand
Clothes and shoes								
	over 10 000	52.11	2.72	\$2 900.00	0.63 %	\$605.64	3.94	0.16
	over 100 000	66.97	2.72	\$455.00	4.85 %	\$195.74	25.10	0.78
	about 5 000	43.70	2.72	\$18 500.00	0.97 %	\$2 263.02	7.87	0.18
	about 100 000	66.97	2.72	\$450.00	3.11 %	\$209.28	24.97	0.77
	about 100 000	51.47	2.72	\$2 200.00	5.52 %	\$700.05	4.29	0.19
	about 50 000	60.81	2.72	\$1 500.00	1.33 %	\$365.04	13.07	0.26

Market structure and sales volumes

Navigating the market

Reports on market structure are based on separate products. Select the product category first then specify the concrete product.

You can also select a specific location (regions and cities. If concrete location is not selected, the product report is based on of all data (market situation of the products in all geographical locations).

A useful report on market structure and the key players is available in «[Analytics](#)» > «[Market Analysis](#)» > «[Sales volumes](#)». Just click on any competitor to access the information about their company.

[City retail](#) [Best stores](#) [Services sector](#) **[Sales volume](#)** [Wholesale trade: price-quality](#) [Products](#)

Clothes and shoes ▾

Market development index: [wiki](#) **E-A** Market volume: **58 150 763 pcs.** Number of merchants: **1 181** Number of companies: **1 123**



Service sector

A sample of service sector market report:

[City retail](#) [Best stores](#) **[Services sector](#)** [Sales volume](#) [Wholesale trade](#)
Navigating the market

Service sector market reports are based on specific service sector specializations and geographical locations.

The reports contain information on key players and market structure based on competitors' specializations and geographical locations of their enterprises.

The report also includes the data on market size and average prices.

Below the graph, there is detailed information on your competitors. You will be able to access the company or enterprise report of your competitors.

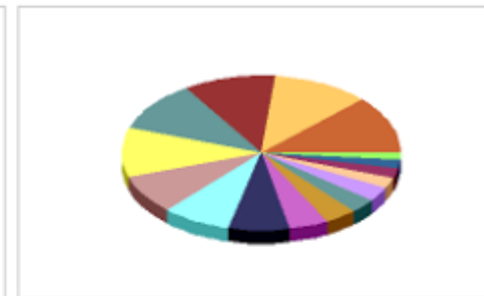


[Go to the ratings](#)

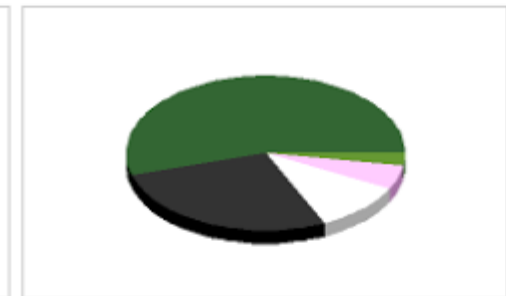
Market development index: **9.11** Market volume: **103 089 196** Number of subdivisions: **7 504** Number of companies: **659** Price: **\$6 674.73**



■ Other sellers 100.00 %



■ Italian Restaurant	12.15 %
■ Steak Restaurant	11.23 %
■ Beer Pub	10.77 %
■ Tearoom	10.65 %
■ Ice Cream Parlor	10.25 %
■ Coffee House	8.20 %



■ City center	54.55 %
■ Residential area	27.36 %
■ Outskirts	10.49 %
■ Suburb	5.03 %
■ Trendy neighborhood	2.58 %

Production sector analysis

Production reports are available by clicking on «**Analytics**» > «**Market analysis**» and selecting the «**Production**» > «**General report**» tab. Select a product category and the product.

Reading graphic reports

Graphic reports show the data on production average quality and costs. These reports are useful for understanding general market trends.

From the Red Bull example, we can see the increase in production quality and reduction in prime costs. It means that someone has introduced new technology. The production volumes for this moment have decreased and at the same time there is an increase in consumption of the product in the market.

Key manufactures

For detailed analysis see the information on key competitors («Production» > «Today»).

The key player in RedBull production is the company «Parex, which is about 10 times bigger than the second biggest competitor («Dalaimoc S.A.»). When choosing a production strategy, the information on the competition on the market is highly useful.

A sample of Red Bull production report:



The information on the market structure and key competitors is available in «Production» > «Today»:

Компания	Кол-во	Кач-во
1 Parex	около 1 000 000	45.68
2 Dalaimoc S.A.	около 100 000	14.50
3 Ackermann Industries International	более 20 000	6.29

Reference

The reference data is based on the following sections:

Types of enterprises

The list of all types of manufacturing enterprises, their production, required raw materials, and production cycle, time needed to build a factory.

Products and raw materials

Products and raw materials, which are bought and sold by the participants of business simulation. This section also contains the data on the raw material, from which products are made. By clicking on the raw material of your choice, you will see the same report and the information on where this raw material is used.

Trade

























The products that are offered to the end users in retail. Also, the section contain information on raw materials, which are necessary for manufacturing the products.

Business boosters

The list of all business boosters in the simulation, their prices, service costs and validity periods.

Information on the types of enterprises, product, raw materials and production type, trade and business boosters is essential in business management in Simformer Business Simulation. The information can be found by clicking on «[Analytics](#)» > «[Reference](#)».

For example, this data will inform you what raw materials are necessary for the production of aircraft fuselage parts, the duration of construction of such factory, how many product units can be produced in one game turn:

Industry		Aircraft production							
Specialization									
Specialization	Equipment	Raw material			Products	Quality modifier			
Fuselage section		 17 400 pcs.	 3 000 pcs.	 3 000 pcs.	 3 000 pcs.	 1 500 pcs.	 1 500 pcs.	 600 pcs.	 1 pcs.
Wing elements		 27 000 pcs.	 2 000 pcs.	 9 000 pcs.	 2 000 pcs.	 4 500 pcs.	 1 pcs.		
Empennage elements			 7 000 pcs.	 6 000 pcs.	 1 500 pcs.		 1 pcs.		
Production specifications									
Size	Number of workplaces		Building duration (weeks)	Production volume					
	Max. equipment			Fuselage section  pcs./week	Wing elements  pcs./week	Empennage elements  pcs./week			
10000 workplaces	10000	40000	45	4	4	8			
25000 workplaces	25000	100000	90	10	10	20			

By clicking on the component or raw material, you will see the information on what is needed to produce them. It is vital information for planning to establish a vertically integrated company.

Messaging other participants

Simformer Business Simulation has a **messaging system**, which allows participants to communicate with each other. You can use it to make contact other participants to sign contracts, negotiate price conditions, etc.

In order to send a message click on the company of your interest. You can also do that by clicking on «Analytics» > «Market Analysis», select the company and click on «**Contact president**»:


[Meijer Ltd.](#)
[Send a message to the manager of subdivision](#)
[Add manager to contact list](#)


Enter the subject and the content of your mail:

[All messages](#) [System](#) [Personal](#) [Sent](#) **Compose** [Invitations](#) [Contacts](#)

To	vitoscorpion	<input type="button" value="Add member"/> <input type="button" value="Delete from the list"/>
Subject	Business offer	
Message body		
<p>Hello! I would like to make a long-term contract with you. I am interested in buying 100 000 units of coffee every turn. If it is possible i asking for 15% discount of your current price.</p>		
<input type="button" value="Send"/> <input type="button" value="List of messages"/>		

Click on the letter icon at the top of your page to access your messages:



The messaging system is available to all participants of the simulation.

Your specific course may also have a forum for communication only between the students and the teacher. To access the forum, sign in to Simformer platform, select the course and click on the button:



Forum function is optional.

Participant rating

The participants can be ranked based on the following criteria:

- **Revenue per turn, profit per term** — a revenue indicator (the money your company made) and profit indicator (revenues, excluding the expenses) of your company during the last game turn.
- **Cumulative Revenue, Cumulative Profit** — Cumulative revenue and profit of your company since the beginning of the game. They are considered a cumulative total of all previous game turns.
- **Assets** — valuable items and property of your company (equipment, supplies in stock, finished goods, mineral deposits etc.).
- **Performance Indicator** — a ranking position based on such criteria as «cumulative revenue», «cumulative profit» and «assets». The higher the participant's ranking in all these criteria is, the higher is the performance indicator. The maximum indicator is 1.

The participants of your group are automatically ranked based on their achievements. The participant rating is available on the homepage. The rating is updated every game turn. The rating information can be filtered based on different criteria. Here is a sample rating report of the participants of Simformer Business Cup 2016, an international online management contest:

		SBC Stage 1 March 2016					Participants in the group: 242/10 000		Training in process		Founded: 18 February 2016	
		5 March 2016 30 March 31										
#	Название компании	Пользователь	Доходы за шаг	Доходы с начала	Прибыль за шаг	Прибыль с начала	Активы	Интегральный показатель				
1	Den Inc.	Miscisin D.	€3 127 559 894	€40 134 442 100	€1 829 623 724	€16 754 916 460	€93 061 736 150	1.000				
2	Diana Corporation	Diana B.	€470 719 315	€4 144 995 833	€212 938 173	€1 547 503 775	€1 956 545 616	0.500				
3	Dwlika valandu - baisu ir CO	Radvenskas J.	€262 063 716	€3 700 260 608	€122 724 137	€1 259 095 510	€1 693 297 352	0.333				
4	Parduodam Dalykus	Paluckas D.	€24 246 902	€388 759 459	€11 719 210	€92 548 185	€160 785 884	0.196				
5	ZTech	Grybovskiy M.	€37 171 141	€369 457 279	€25 859 620	€71 974 088	€1 247 054 164	0.196				
6	SigmadaroMaDi	Aleksandravicius D.	€31 033 193	€439 768 771	-€9 854 507	€24 670 366	€697 780 071	0.122				
7	MegaBoo	Sirutavičius M.	€14 575 137	€212 976 401	€6 323 708	€39 352 880	€81 673 721	0.111				
8	Minions	Winniczuk A.	€15 807 377	€267 822 515	€2 898 103	€33 910 457	€86 991 536	0.101				
9	Iron Wolves	Tomasevic D.	€5 775 573	€191 577 461	€775 451	€37 241 370	€80 215 361	0.094				
10	au1203657 Limited	au1203657	€26 987 630	€263 519 801	€1 486 498	€29 646 221	€66 411 719	0.087				
11	Rimvydas ir co	Jurkevičius A.	€7 019 359	€160 358 390	€2 956 800	€34 270 785	€74 612 720	0.083				
12	MinvydasL	au1203656	€11 430 973	€137 084 981	€4 130 005	€35 007 572	€58 607 337	0.080				
13	Nukasciabus	Pavlova A.	€11 376 172	€211 407 374	€1 005 465	€15 163 315	€90 557 703	0.072				
14	VGTU BigBang	Barauskaitė A.	€32 123 504	€206 039 480	-€2 146 392	€8 303 740	€103 032 331	0.063				
15	Nicola Corporation	Bianca Liliana N.	€2 489 848	€82 973 898	€1 024 341	€18 680 909	€36 965 522	0.060				
16	Ciobanu International	Ciobanu G.	€2 982 333	€76 927 592	€1 059 907	€22 967 994	€40 743 342	0.060				
17	Rajan LLC	Rajan P.	€7 293 449	€79 119 172	€5 087 038	€10 255 715	€39 805 236	0.053				
18	Caiku?	Blažević D.	€3 665 718	€78 166 672	€937 865	€2 156 491	€399 565 577	0.052				
19	Draga Corporation	Draga A.	€2 103 777	€49 131 314	€419 334	€15 187 231	€30 215 592	0.051				
20	ZSTU	полчанов а.	€3 055 324	€62 154 154	€831 289	€13 603 894	€33 181 235	0.050				
21	Modern view	Grigalevičiūtė G.	€1 433 586	€47 408 255	€231 305	€1 917 730	€58 761 963	0.042				
22	The Clover	Glaveckaitė L.	€1 980 467	€35 777 621	€43 279	€9 745 092	€25 280 881	0.041				