The Application of Enterprise Operation Simulation Training in Management Courses

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Abstract: It is difficult to understand management theory because of the lack of situational experience in management teaching. The enterprise operation simulation is used in management teaching to restore management situation and experience management functions such as planning, organization, leadership and control with experiential teaching method.

1. Introduction

Management is a science that systematically studies the basic laws and general methods of management activities. These rules and methods are derived from the summary of practical experience. Principles of Scientific Management was completed by Tiro in his workshop management practice at the Midville plant;” Industrial Management and General Management” was completed by Fayol when he held a senior leadership position in the enterprise. These works transformed into theories through practice are the theoretical basis of management. Therefore, every principle and method of management has its specific situation and conditions. To understand the management theory, it is necessary to restore the situation of the occurrence of management theory.

2. Problems in Management Teaching

The teaching process of management science is a process in which the teacher communicates the management theory to the students through certain means and methods. The teacher is the subject of this process, the student is the object of the realization of the teaching goal, and the teaching method and process are the channels and media of knowledge dissemination. The defect of any link in this process will constitute the obstacle of knowledge dissemination.

2.1 The Subject of Teaching

The teacher's teaching effect is restricted by emotion, tendency, personal feeling, expression ability and judgment. Poor expression ability, incomplete content transmission, content transmission is not organized, the limitations of knowledge and experience and the filtering of the content will affect the complete transmission of the content. Teachers themselves lack management practice experience, lack of personal experience of management theory, interpretation of management theory is inevitably empty, let alone to describe the restoration of management situation with language.

2.2 The Problem of Teaching Objects Students Are the Recipients of the Knowledge Disseminated by Teachers

By interpreting the text, the teacher's words translate the information into thoughts and feelings that they can understand. This process is influenced by students’ experience, knowledge, ability, personal quality and expectation of teachers. Students are individuals who lack social practice. From kindergarten to primary school, middle school and university, students have never been out of school. They have no social practice experience at all, and these experiences are the basis for constructing practice scenarios.
2.3 The Teaching Methods of Management Science Include Teaching Method, Case Teaching Method, Scene Teaching Method and Discussion Method.

The teaching method is used to explain the concepts, definitions and principles of management, the case teaching and scenario teaching are used to restore the management situation, and the discussion method is used for students to use the theories and concepts they have learned to diverge their thinking, so as to deepen and consolidate their understanding.

As a discipline from practice, case teaching and scene teaching are the most important means of management.

Due to the lack of practical experience, case teaching may be reduced to telling stories about enterprise development, while situational teaching method mostly becomes some isolated game activities, unable to build the wholeness of management and the correlation between various management functions.

3. The Content Characteristic of Enterprise Management Simulation

Divide the students of a class into six groups, and simulate the market competition of six enterprises. The time is based on the unit of five to six years of continuous operation. Main contents of business activities:

First, market development. The market is divided into local, regional, domestic, Asian and international markets, and the target market strategy and advertising strategy are determined according to the strength of the enterprise.

Second, product development. The research and development of simulated P product is divided into four types: primary product P1, improved product P2, mid-end product P3 and high-end product P4. The product research and development strategy is determined according to the target strategy of the enterprise.

Third, production planning. According to the market demand, plan the production capacity of the enterprise, rationally allocate the manual, semi-automatic, automatic and flexible production lines, formulate the new equipment plan and the amount and schedule of capital investment. Make production plan according to production line capacity, make material supply plan according to production plan.

Fourth, quality management. Cooperate with the marketing strategy of the enterprise to determine the quality standard system.

Fifth, enterprise finance. According to the production activities of the enterprise, budget the capital flow of the enterprise, make financing plans, and fill in the balance sheet, profit statement and cash flow statement.

The above contents run through the annual business activities of the enterprise, with the continuity of time before and after the integration of cohesion, and mutual coordination and restriction. The vivid and complex management activities, the vigor of competition and the rational wisdom embodied in the law of value arouse the enthusiasm and initiative of students in learning.

4. The Combination of Business Simulation and Management Theory

The purpose of simulating business operation is to experience the planning, organization, leadership, control and other functions of management.

4.1 The Experience Plan of the Planning Function is Divided into Strategic Plan and Tactical Plan According to Different Levels.

Strategic planning experience is to develop long-term planning through enterprise strategic environment analysis (including analysis of the general environment, specific environment and internal conditions of the enterprise).

The general environment is the common environment faced by every enterprise, which is reflected in the modeling through loan, tax and quality system.

Tax policy: at the end of each year, 25% of the profits of the same year will be calculated and
deducted for tax payable, which will be paid at the beginning of the next year.

In case of profit, income tax shall be drawn on the balance after making up the loss of the previous year.

The quality standard system has ISO14000, ISO9000, different markets agree with different quality system.

The above rules create a general environment in which businesses operate.

The specific environment is the industry competition environment in which the enterprise is located. The analysis of competitors is carried out from two dimensions of product research and development and market development.

Enterprise internal condition analysis: one is to analyze the production capacity of the enterprise.

Analyze the status of production line owned by the enterprise and calculate the capacity of the enterprise.

The production cycle of manual production line is three quarters, the production cycle of semi-automatic production line is two quarters, and the production cycle of automatic and flexible production line is one quarter.

The production capacity of the enterprise can be calculated according to the number of production lines, and the production capacity decision can be made according to the conditions of production line purchase, production transfer, maintenance, sale, etc.

The second is to analyze the financial situation, grasp the cash position and financing ability of the enterprise.

Based on the analysis of general environment, specific environment and internal conditions of the enterprise, fully consider the matching of opportunities and strength of the enterprise, the basis of market entry and exit, the choice of market priority, the situation of competitors, etc., make long-term planning and formulate long-term development strategy of the enterprise.

The experience of tactical level planning is achieved through the detailed preparation and implementation of production planning and material procurement.

4.2 Experience of Organizational Functions

An organization is a group larger than one person that cooperates with each other for a common goal, transforms the goal into different post departments, and operates according to the process of planning, control, organization and coordination.

Divide the class into six groups and form six businesses to simulate a perfectly competitive industry. Each enterprise is a goal collective, composed of several students, their common goal is to maximize the profit of the enterprise, gradually grow and grow. The goal of profit maximization is transformed into specific functions such as market development, product production, product research and development, material procurement and financial management according to the division of labor. These functions operate in coordination with each other according to the rules and finally achieve the goal.

The business activities of the enterprise are divided into marketing and planning center, financial center, production center, logistics and procurement center and enterprise process system center. The positions of president, marketing director, financial director, financial assistant, operations director and procurement director are provided respectively. The president is responsible for formulating development strategy, analysis of competition pattern, formulation of business strategy, determination of business indicators, comprehensive budget management, management team coordination, enterprise performance analysis, performance evaluation management, management authorization and summary, etc. Marketing Director is responsible for market research and analysis, market entry strategy, variety development strategy, advertising strategy, sales plan formulation, order and negotiation, contract signing and program control, on-time delivery receivables management, sales performance analysis, etc. The chief supervisor of operations is responsible for product R&D management, management system certification, fixed assets investment, production plan preparation, production capacity balance, workshop management, product quality assurance, finished product inventory management, product outsourcing management, etc. The purchasing
director is responsible for making purchasing plans, negotiating with suppliers, signing purchasing agreements, monitoring the purchasing process, receiving and accepting goods, warehousing management, purchasing payment options, coordinating with the finance department, and cooperating with the production department, etc. The chief financial officer and assistant manager are responsible for daily financial bookkeeping and bookkeeping, tax filing to tax authorities, financial statements, daily cash management, corporate financing strategy formulation, cost control, capital scheduling and risk management, financial system and risk management, financial analysis and decision-making assistance, etc.

Through actual operation, experience the significance and role of organizational functions in division of labor and collaboration, each function should serve organizational goals, and the importance of teamwork.

4.3 Experience of Organizational Functions

Leadership is the action process of guiding and influencing individuals or organizations to achieve certain goals under certain conditions. In the business activities of enterprises, although there is division of labor, it is inevitable that there will be more posts and work ahead, and there will be many problems in collaboration. The compromise and unity of different opinions in decision-making exercise the leadership and organizational ability of managers. In the process of dealing with questions, reflect different leadership style. Through observation, summary and communication, students can experience the influence of leaders on the organization. In the activity, autocratic, democratic and laissez-faire leadership styles are shown, and different leadership styles have a positive and negative effect on enthusiasm in specific scenarios of simulated enterprises.

Through the discussion of each group, this paper discusses the influence of the leadership style on the participation enthusiasm of fellow students, and puts forward some suggestions for improvement.

4.4 Experience of Control Functions

Control according to the time of different control, control and control after the event, respectively in the enterprise business simulation through the following activities reflected.

Control in advance through the use of the enterprise business process control table from the beginning of the quarter cash inventory to cash income and expenditure statistics process, pre-rehearse the business activities of the enterprise a year in advance, statistics of cash expenditure, forecast in advance of the shortage of cash in the operation of the enterprise, do a good job of financing loan plan. In-process control is to control the business process and avoid work chaos. Control the production cycle and feed time respectively. Ex-post control is at the end of each operating year, through the expense statement, income statement and balance sheet and other financial statements to summarize the operating situation of the enterprise, analyze the success and shortcomings of the current year, for the next year's plan to adjust the basis.

The management situation is restored through enterprise operation simulation, and the functions and management principles of management such as planning, organization, leadership and control are fully displayed and experienced in the concrete experience, which makes the learning of management theory easy, relaxed and interesting, and the experiential teaching method solves the teaching difficulties of management courses.

5. The Implementation of Conditions

Organizational requirements: in order to be able to simulate the business environment, it is recommended to use enterprises to operate the physical sand table. Divide a class into six enterprises and simulate a competitive market in an industry. Site requirement: six sand tables can be placed in the classroom for one class of students. Equipment requirements: multimedia for playing courseware and sandtable software. Time requirement: requires continuous operation time, two days or four half days.
6. Acknowledgment


References


