

Game theory

Co-published article

Celemi uses interactive board games to teach business teams

Anyone who has been to a standard corporate training lecture knows how ineffective they usually are. It's not that the content is necessarily unimportant, but sitting passively listening to someone lecturing from behind a podium is boring at best, an outer circle of hell at worst. No matter how many jazzy animations a presenter may use in a PowerPoint slide, the information just doesn't seem to animate the audience.

"It's a matter of demonstrated fact in education theory that passive reception of information doesn't lead to good retention," said Barbro Andersson, president of Celemi Consulting in Shanghai.

Unfortunately, many company leaders seem to forget how little they retained from their lecture-based university courses and go on to use the same methodology when they train their staff. The result: wasted money and a lot of yawns.

"We cannot absorb other people's knowledge, we must create our own," said Klas Mellander, one of the founders of Celemi. Mellander started as a school teacher. Twenty years ago, he and a few partners realized the need for better corporate training and they decided to try a teaching methodology usually used with younger children on adults: board games.

Expect the unexpected

Decision Base, for example, is Celemi's flagship game-based business simulation. It's designed to teach non-finance professionals the basics of managing corporate cash flows: sales, inventory management, investment, supply chain, and so on. Six small teams are in charge of six enterprises competing for market share. Nothing is out of scope; facilitators can throw in currency crises, lawsuits, product recalls and natural disasters. Teams have access to information, but not necessarily the time to go through all of it.

"In reality, there's always a lot of information *available*," said Andersson. "But you have to make decisions in real time. Different players need to share information and be responsible for different rules, plus keep on top of what the competitors are doing."

Each team contains the core roles of a management team, and the players deal – together – with financial statements and other standard management tools to



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SERIOUS BUSINESS:
Employees tackle a
Celemi simulation



DECISION MAKER: Barbro
Andersson of Celemi Shanghai

make their decisions. As a rule, Celemi recommends assigning people to roles with which they are not familiar. This encourages mutual understanding between departments after the game ends.

Most players seem to prefer the game to the lecture. "Personally, I liked it," said participant David Yang, a customer executive program manager for GE Global Learning in China. "It's like real life, sometimes you make money for the company, sometimes you lose money. Sometimes we win, sometimes we lose." But one time his team lost US\$50,000 in one turn. "We felt it," he said.

GE appreciated the results enough to ditch their existing financial training program for young employees and use Decision Base instead.

Nowhere to hide

The social structure of the games also facilitates learning and retention. With such small teams, it's impossible to simply tune out unnoticed.

Building on the success of Decision Base, Celemi went on to design seven other game-based simulations addressing different business domains, including the "Medici Game," designed around the

principles in "The Medici Effect," a book on business innovation written by Harvard business professor Frans Johansson, and Celemi Enterprise, which focuses on marketing and pricing strategy.

Gunilla Sandgren, head of consulting for Celemi, pointed out that while all of the company's training products rely on the same learning methodology, not all are board games. A training program has to meet five conditions, she said. It has to motivate participants. It has to provide the correct information and time to process it. You have to know the conclusion you are trying to help participants to reach and you have to give the participants an opportunity to apply the new knowledge.

"The learning solution can be a game, but it can also any number of interactive exercises," she said. "For example, we did 20 custom simulations and training programs for Skanska, a construction firm. Of those 20, only two were game-based."

Made to measure

Customization is key to Celemi's approach. Games and other training products can be tailored for the specific needs of a given client. Celemi also operates a network of training vendors who license the games and facilitate training according to Celemi's methods. Seibel had Celemi design a custom program that is now used by 40,000 employees around the world. Coca-Cola University also uses Celemi products.

"We are not just selling something we take from the shelf to everyone," Andersson said. "We look into every customer's need to meet their expectations. Sometimes we have to start from scratch, developing simulations, work mats, or films."

Under this model, the new training paradigm quickly went global. Celemi products are now available in 15 different languages, including Mandarin (traditional and simplified).

"China is, perhaps, one of the world's biggest training markets, but it is a challenging one," said Andersson. Few management teams in the world have as profound barriers to communication and cultural understanding as multi-ethnic management teams in China. It is far too easy to allow employees from different cultures to canton themselves, she said.

"But using Celemi games can not only help teach employees the skills they need to know, it can integrate them socially in a way that listening to a lecture together never can." ♦