

THE GREAT RESTAURANT SIMULATION

"A reality-based business simulation"

TEACHER BRIEFING

Background Information

Objectives

This is a simulation designed for students studying in the areas of business, economics, accounting and finance.

The team runs the Great Restaurant. This is one of the 5 (initially identical) restaurant and takeaway businesses in one geographical area of New Zealand.

The main goal is to maximize the shareholder value of the Great Restaurant over a 7-month period. You will make monthly decisions.

Main Learning Objectives

Students will learn how to:

- Run two lines of business – takeaways and a la carte
- Make good marketing decisions relating to price and advertising.
- Make good operations decisions relating to staff numbers, training and salary.
- Balance demand and supply to maximise profit
- Understand accounts describing cash flow, profit and balance sheet.
- Use competitive information.
- Work effectively in teams.

Components of the Sim

The simulation consists of the following components:

- The teacher briefing (approx 4 pages)
- The student briefing (approx 4 pages)
- A video introduction (5 minutes)
- A solo simulation that can be played against the computer
- A network simulation that can be played dynamically against other real teams
- An introductory quiz to test understanding of the scenario
- A final quiz to test understanding of business dynamics and analysis.
- Use of the SpreadSims platform at <http://server.spreaddsims.net>

Size of sessions

Size of firms

- There are five firms per industry.
- The recommended number of students per firm is 3.
- Any no. of industries/sessions can be set up to accommodate

Size of classes	your class size. E.g. if you have 90 students, with 3 per team, and 5 teams per session, you will need 6 sessions.
Usage suggestions	This sim will run well if used over two-weeks assuming 8 periods of 40 minutes each.
Time to run	
Number of periods	
How to use	<ul style="list-style-type: none">• Period 1: Introduction: The teacher introduces the sim, shows the video, gets students to register, and give some practice on the solosim. Homework is to read the briefing and be ready for the intro quiz.• Period 2: Introduction: In teams of 2, students play 2 rounds of the solo sim (with no decisions on) for about 15 mins each round. Students complete the intro quiz at the end to test understanding of the briefing. They can work together on this.• Period 3 and 4: Accounting: In teams of 2, students play 2 rounds of the solo sim (with no decisions on) for about 15 mins each round. Students can work on this at home and complete the marketing quiz the next day to test understanding of segments, pricing, and advertising. They can work together on this. This may be supplemented by materials from the text.• Later: Period 5 and 6: Marketing: In teams of 2, students play 2 rounds of the solo sim (with the marketing only) for about 15 mins each round. Students can work on this at home and complete the marketing quiz the next day to test understanding of cash flow, balance sheet and profit and loss. They can work together on this. This may be supplemented by materials from the text• Later: Period 7 and 8: Operations: In teams of 2, students play 2 rounds of the solo sim (with the operations only) for about 15 mins each round. Students can work on this at home and complete the operations quiz the next day to test understanding of capacity, motivation from salary, skills from training, and quality from motivation, skills and quality of ingredients. They can work together on this. This may be supplemented by materials from the text• Later: Period 9 and 10: Finance: In teams of 2, students play 2 rounds of the solo sim (with the finance decisions only) for about 15 mins each round. Students can work on this at home and complete the finance quiz the next day to test understanding of loans and shares. They can work together on this. This may be supplemented by materials from the text• Period 11: Net Sim: Allocate new teams of 3 students. Students play 1 practice round of the net sim and this is debriefed. They get one more practice round. Some theory on marketing is provided including a short video. Some theory on operations is provided including a short video.• Period 12: Net Sim: Real game begins and students make two sets of decisions. This is debriefed with emphasis on those that did not do well.• Period 13: Net Sim: Students make two sets of decisions. This is debriefed with emphasis on those that did not do well. Review marketing with more depth.• Period 14: Net Sim: Period 6: Students make two sets of decisions. This is debriefed with emphasis on those that did not do well. Review operations with more depth.• Period 15: Debrief the sim: Students complete a Final Quiz

to test understanding of business dynamics and analysis.

- **Period 16 and 17: Rapid Fire:** A rapid fire competition where teams make decisions every 10 minutes and apply all their learning to see if they can improve their scores from the first run.

Note: The software allows access from home if they students have the appropriate software.

Measures of Learning

The key measures of learning are listed below:

- Score on the solo sim
- Score on the net sim
- Score on the 2 quizzes
- Satisfaction rating of the activity

Decisions

A la Carte Decisions

- The average price of the meals
- Advertising decisions - Happy Herald, Common Courier
- Number of cooks
- Number of waiters
- Training for cooks
- Salary for waiters
- Quality of the ingredients.

Take away decisions

- The average price of the meals
- Advertising decisions - Happy Herald, Common Courier
- Number of takeaway staff
- Training for takeaway staff
- Salary for takeaway staff
- Quality of the ingredients.

Funding Decisions

- How much to borrow from the bank
- How many shares to sell to an investor

System Requirements

Operating System

- Windows XP
- Vista

Spreadsheet

- Excel 2003
- Excel 2007.

Internet Browser

- Mozilla Firefox – recommended
- Microsoft Internet Explorer

Cost

For the first year

- \$20 per student

Screenshots:

The Great Restaurant Sim

Welcome and Congratulations! You are running a small restaurant business in New Zealand.

>>Place your mouse cursor over the words above for instructions <<

Team 5:

1. Welcome to the Restaurant Planning Sim.
2. Please click on the SpreadSims menu item above and select Simulator.
3. Then your Simulation menu will appear.
4. The Simulation tab will allow you to save your decisions
5. These are updated automatically on rollover.

We trust you will enjoy the competition and your learning!

Competitor Equity

You Are Firm Number **1** Current Live Period **1** Last Saved **Auto**

User Name **Solo** Position **Solo**

Management Reports

Marketing

Demand and Proportion Demand Satisfied - A la Carte

Demand and Proportion Demand Satisfied - Takeaway

Revenue - A la Carte

Revenue - Takeaway

Operations

Overall Capacity A la Carte

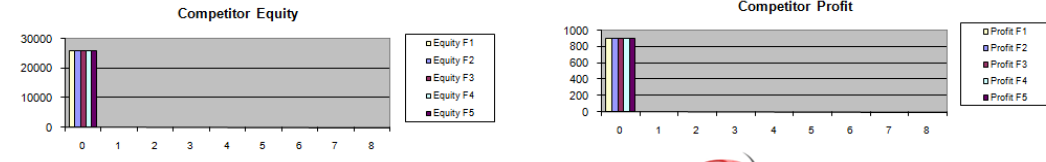
Overall Capacity Takeaway

Efficiency of Cooks and Waiters A la Carte

Efficiency of Takeaway

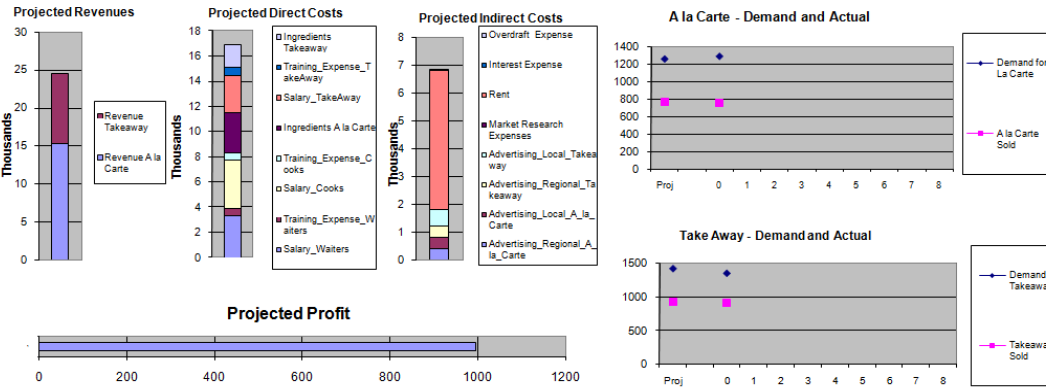
The Great Restaurant Sim

There are no messages at this time. Keep an eye out for these as they will impact upon your success.



You Are Firm Number **1** SymComm people, passion, power

Current Projections (based on last year competitive positions)



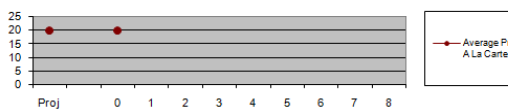
Decisions

Charts

PRODUCT - A la Carte

Average Price (Months 1 to 4) 20
 Price Change after Month 4 0%
 Advertising Regional 400
 Advertising Local 400

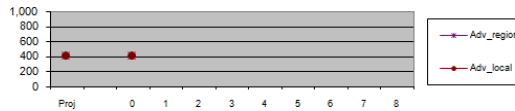
A la Carte Price Decision History



PRODUCT - Take Away

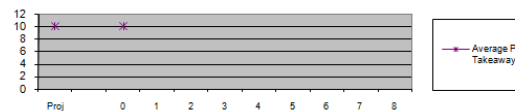
Average Price (Months 1 to 4) 10
 Price Change after Month 4 0%
 Advertising Regional 400
 Advertising Local 600

A la Carte Advertising Decision History



Competitive Research Tick for Yes 0

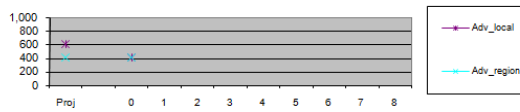
Take Away Price Decision History



OPERATIONS - A la Carte

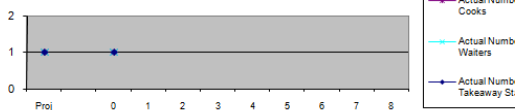
Waiters
 Waiters_Hire/Fire 0
 Waiters_Staff_Training 600
 Waiters_Staff_Salary 3300

Take Away Advertising Decision History



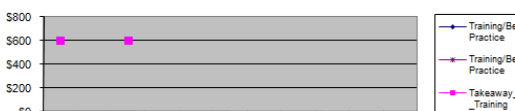
Cooks
 Cooks_Hire/Fire 0
 Cooks_Staff_Training 600
 Cooks_Staff_Salary 3800

Hire/Fire Decision History



Ingredients 3

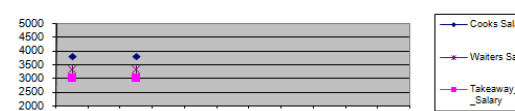
Training Decision History



OPERATIONS - Takeaway

Takeaway_Staff_Hire_Fire 0
 Takeaway_Staff_Training 600
 Takeaway_Staff_Salary 3000

Salary Decision History

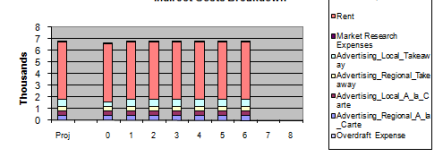
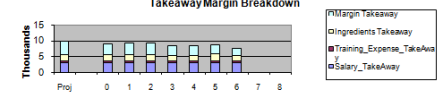
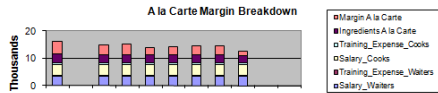
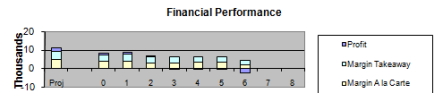


Financial Reports

	Projected	Start	1	2	3	4	5	6	7	8
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Financial Performance

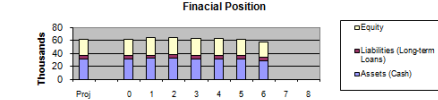
Revenue A la Carte	16376	15,073	15323	14033	14280	14477	14635	12653		
Direct Costs A la Carte										
Salary_Waiters	3300	3,300	3300	3300	3300	3300	3300	3300		
Training_Expense_Waiters	600	600	600	600	600	600	600	600		
Salary_Cooks	3800	3,800	3800	3800	3800	3800	3800	3800		
Training_Expense_Cooks	600	600	600	600	600	600	600	600		
Ingredients A la Carte	3373	3,075	3157	2891	2942	2982	3015	2606		
Margin A la Carte	4702	3,698	3866	2842	3038	3195	3320	1746		
Revenue Takeaway	9817	9,036	9186	9321	8393	8490	8577	7574		
Direct Costs Takeaway										
Salary_TakeAway	3000	3,000	3000	3000	3000	3000	3000	3000		
Training_Expense_TakeAway	600	600	600	600	600	600	600	600		
Ingredients Takeaway	2003	1,843	1874	1901	1712	1732	2187	1545		
Margin Takeaway	4214	3,593	3712	3819	3081	3158	2790	2429		
Indirect Costs										
Advertising_Regional_A_la_Cart	400	400	400	400	400	400	400	400		
Advertising_Local_A_la_Carte	400	400	400	400	400	400	400	400		
Advertising_Regional_Takeaway	400	400	400	400	400	400	400	400		
Advertising_Local_Takeaway	600	400	600	600	600	600	600	600		
Market Research Expenses										
Rent	5000	5,000	5000	5000	5000	5000	5000	5000		
Interest Expense	43	42	42	42	43	43	43	43		
Overdraft Expense										
Total Indirect Costs	6843	6,642	6842	6842	6843	6843	6843	6843		
Interest on Cash in Bank	238	250	258	266	268	264	262	258		
Profit	2312	900	994	85	-456	-226	-471	-2410		



	Projected	Start	1	2	3	4	5	6	7	8
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Financial Position

Assets (Cash)	30886	30,900	31966	32131	31682	31455	30985	28575		
Liabilities (Long-term Loans)	5158	5,000	5072	5152	5158	5158	5158	5158		
Equity	25728	25,650	26894	26980	26523	26297	25826	23416		



Cash Flow

OPERATING ACTIVITIES

Cash was provided from:										
Sales	26193	24,110	24509	23353	22672	22967	23212	20226		
Cash was disbursed to:										
Salary_Waiters	3300	3,300	3300	3300	3300	3300	3300	3300		
Training_Expense_Waiters	600	600	600	600	600	600	600	600		
Salary_Cooks	3800	3,800	3800	3800	3800	3800	3800	3800		
Training_Expense_Cooks	600	600	600	600	600	600	600	600		
Salary_TakeAway	3000	3,000	3000	3000	3000	3000	3000	3000		
Training_Expense_TakeAway	600	600	600	600	600	600	600	600		
Ingredients Takeaway	2003	1,843	1874	1901	1712	1732	2187	1545		
Advertising_Regional_A_la_Cart	400	400	400	400	400	400	400	400		
Advertising_Local_A_la_Carte	400	400	400	400	400	400	400	400		
Advertising_Regional_Takeaway	400	400	400	400	400	400	400	400		
Advertising_Local_Takeaway	600	400	600	600	600	600	600	600		
Market Research										
Rent	5000	5,000	5000	5000	5000	5000	5000	5000		
Overdraft Expense										
OPERATING CASHFLOWS	2117	692	778	-139	-681	-447	-690	-2625		

FINANCING ACTIVITIES

Cash was provided from:										
Long Term Debt Raised			72	80	7					
Interest on Cash in Bank	238	250	258	266	268	264	262	258		
Cash was disbursed to:										
Long Term Debt Repaid										
Interest on Long Term Debt	43	42	42	42	43	43	43	43		
Interest on Overdraft										
FINANCING CASHFLOWS	195	209	288	304	212	221	219	215		

