



SigmaField
Consulting

“When you are successful with a strategic play in your marketplace, your competitors will not send you congratulation notes and bottles of wine. They will react.

Kevin Nuttall SigmaField.

The Strategy Game™

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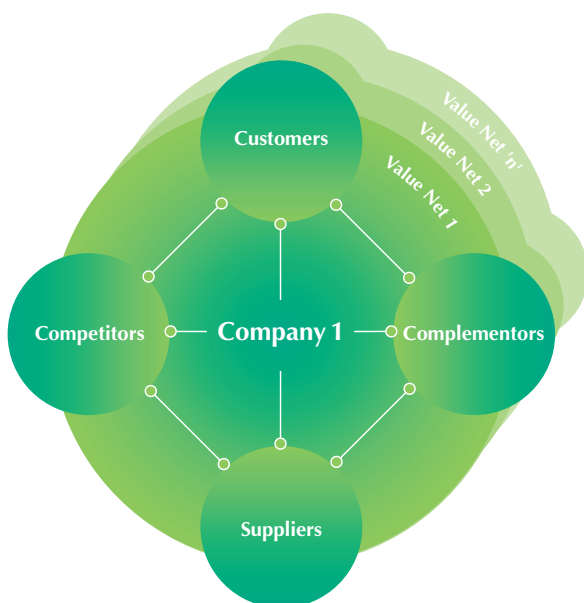
The Strategy Game™

Predicting how your competitors or customers are likely to respond to a strategic play is essential input to formulating winning business strategies. Simple linear models will not predict the complex interplays of your market place. The Strategy Game can. By setting up the key “value nets” in your market place and simulating their interactions, we can predict with much more accuracy how a particular strategy will act out in the real world.

For example, Lockheed Corporation used game playing to forecast the reactions of their major customers and competitors to proposed changes in the design of their aeroplanes; this allowed the company to examine various options before making a final design decision.

Research suggests predictions can rise from mere chance or 27% to 61% accuracy. The researcher’s comments were “we have been involved in forecasting since 1960 and have never before encountered a forecasting method that produces such large improvements over other procedures.”¹

¹ Victoria University in New Zealand



The Purpose of the Strategy Game™

The purpose of the Strategy Game is to test the effectiveness of a business strategy in a no risk environment and to simulate the potential up sides and down sides of a particular “strategic play”.

While most organisations have access to much of the essential data, information and knowledge to make the right moves, few know how to account for the interplay between their own decisions and those of the other key players on the business arena—rivals, customers, suppliers, complementors, competitors and regulators.

The Strategy Game is a simple, yet powerful way of addressing this issue—based on the very latest tools and techniques from game theory and strategic analysis. Teams act out the roles of the real-life players—to give you dramatic insights into the way today’s decisions shape tomorrow’s business environment.

What problems can the Strategy Game™ help solve?

Entering a new market: Should we go ahead? Which approach is best? How will our competitors react? What will be the impact on our resellers? How do the timing options compare?

Someone new is entering your market: How will we be affected? What strategy are they likely to adopt? How should we react?

Creating a new distribution channel: How do the options compare? How will they impact the existing resellers? What will the competition do? What are our greatest risks?

Developing a new policy: How are all the key stakeholders affected? What are the critical political implications? Where is opposition likely to be strongest? What compromises are desirable?

Launching a new product: Should we do it? What is the best pricing policy? Will our existing products suffer? How will the competition react? How will customers react? What will be the impact on our logistics?

The Strategy Game™

A rival is launching a new product: What is their likely pricing policy? What is our best pricing strategy? How will our products be impacted? How will customers react?

Securing a supplier: Does it make strategic sense? How will it impact our rivals? What will happen to our cost structures? How will other suppliers react?

Acquiring another business: What is the best approach? How will regulatory authorities view the proposal? What are the key management issues we face? How will it impact our existing business units? How will our investors react? Should we integrate—or keep the unit separate?

What are the outcomes from the Strategy Game™?

A Confident, reliable and robust decision on your preferred business direction: You obtain deep insights into the way your decision will be worked out, and a comprehensive understanding of the behaviours of all stakeholders in that decision.

Learnings for your management team: Players can hone their decision-making skills before “trying their hand” in the real world.

What happens in the Strategy Game™?

The Strategy Game is played out in three phases:

Preparation: Where we construct a gaming framework peculiar to your particular business problem.

Enactment: Where teams act out the roles of the key players in your business environment over a number of closely facilitated and rigorously structured game-plays.

Conclusion: Where a team of your own people report on the outcomes of the Game and recommend a course of action—based on the results of analysis carried out by SigmaField’s Principals.

What is delivered from the Strategy Game™?

Each Phase of the Strategy Game delivers high-valued outputs:

Preparation: A concise formulation of your business problem and a rigorous model of the environment in which this must be solved.

Enactment: A comprehensive description of the influences, interactions, decisions and behaviours of players in your business environment.

Resolution: A rigorous analysis of the problem and your options—together with a comprehensive description of the recommended move, its consequences and implementation.

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