STIMULATING SIMULATIONS

See how four companies are successfully using simulations, and discover how their lessons learned may apply to your simulation strategy.   **By Holly Dolezalek**

You can tell simulations finally have arrived: Executives no longer automatically discount them by saying, "We're not here to play games." But that acceptance hasn't automatically translated to investment. "Clients are asking questions, but they're not always ready to pay," says Jonas Akerman, president of the North American division of BTS, a simulations provider headquartered in Stockholm, Sweden. But, he says, executives understand its worth, and their interest is in training high-level leaders and in cascading to all levels of the company.

The reasons for employing simulations fall into three rough categories, according to Todd Norris, chief simulation strategist for Simulations International, a simulations provider in Annapolis, MD. The first is one of the oldest uses of simulations: high-risk situations that have such a high cost of failure that it makes sense to practice before it's real.

The second is the area of execution. At times, certain skills don't combine well even if they're solid on their own, and a simulation environment can help to better integrate those skills. For example, a business acumen simulation can help employees better understand how the business works as a whole and how they contribute.

Finally, some companies use simulation because their learners—especially Gen X and Yers—are more in tune with that mode than with PowerPoint and other static methods.

Following are four case studies of companies successfully using simulations, plus lessons learned that can be applied to your simulation strategy.

HUMANA: CONNECTING CUSTOMERS TO KNOWLEDGE

Humana is a Fortune 500 health-care company based in Louisville, KY. Aside from health insurance, the company also is involved in dental insurance, military health care, Medicare plans, and venture capital investing. With offices in most U.S. states, Humana is starting to explore relationships in other parts of the world. And since it has been using business simulations for approximately four years, when the time came to educate some of its leaders in working across functions, it chose BTS to create the Commissioning Simulator.

The simulation teaches leaders in the United Kingdom's national health service how to think about health care from a community perspective. "We believe in using learning as a tool to connect customers to knowledge about the health system so as to empower them, and this was a natural extension of that philosophy," says Ray Vigil,

chief learning officer for Humana.

The Commissioning Simulator is an environment that simplifies the interactions of employers, consumers, and health-care providers so a participant can see how all stakeholders work together in the delivery of health care. It's a computer-based simulation in which teams of five compete in three annual rounds of competition to have the best results from their decisions.

For example, one competition focuses on the issue

of obesity. "Each scenario gives objectives for improving health and the delivery of services, sets a budget, and asks participants to try to achieve the best outcomes," Vigil says. "We model the community, health conditions, budget, and any resources available."

Vigil says the element of competition brings a certain suspension of disbelief for participants. The pressure of time and the need to make decisions that have positive impacts on the bottom line make the simulation feel less like traditional learning and more like real life. The simulation also includes "wobblers," or abrupt changes in the given environment, such as a sudden drop in stock price or an organization boycotting the company's offices.

"We take advantage of people's natural competitive desires and of teamwork's ability to change the way people act," Vigil says. "Experiential learning has the power to transform people, not only in the short term but in the long term."

Tom Noland, communications director for Humana, has participated in three of Humana's simulations during his career there, and he explains that the experience has made a big difference in his work life. Each participant takes a role in the simulation that is unfamiliar to them, and in Noland's experience, he was the CEO of the company. "It forced me to think like the CEO instead of the head of communications, and to apply different priorities to my decisions," he says. "Also, the metrics by which my group is measured are much more business-line oriented than they were before, such as increasing company growth or market capitalization instead of impressions and ad equivalency." ■

TYPES OF SIMULATIONS

Now that anything from a role play to a full-blown virtual world often is called a simulation, it can be difficult to know what a simulation is and what it's not. Experts likely will argue that issue until the end of time, but in the meantime, here are a few, by no means exclusive or exhaustive, categories that most simulations fall into.

NUMERIC. These are the simulations that give participants certain parameters (budgets, number of units, costs, etc.) and ask them to make business decisions based on them. For example, a supply chain simulation that tests learners' ability to make good decisions might give them data about production, costs, delivery times, and other parameters that should be included in any decisions about whether to make more, make less, or make the same in a different time frame.

SCENARIO. These simulations give participants decision trees to follow and give them feedback on the consequences of their decisions.

INTERACTIVE. Through the use of Q&As and other documentation, these simulations ask learners to respond to particular information that is presented during the scenario.

MANUAL. This category includes the board games and other methods that simulate certain conditions so learners see progressions and connections without the involvement of technology.

NAEYC: LEARNING TO ADMINISTER SCHOOL PROGRAMS

The National Association for the Education of Young Children is a nonprofit based in Washington, D.C. Its mission is to improve the quality of educational and other services for children up to age 8. The organization has approximately 100,000 members (mostly program administrators, such as elementary school principals, directors of child care or Head Start centers, and prekindergarten program administrators). With an active membership and a network of state, local, and

regional affiliates, the organization has a national reach.

NAEYC aims to provide professional development and other resources to its members and others who are interested in education for young children. Historically, that has included books, videos, professional journals, and educational programs. But now, the organization is pioneering new territory in the world of simulations.

Funded by a grant from the John S. and James L. Knight Foundation, NAEYC has been working with

Simulations International to create an educational program aimed at helping its target audience with skills in administering school programs. The program (which is still in development and has not yet been named) will include a series of e-learning modules with two characters named Pat and Chris. Pat just started her job as a manager, and Chris is an avatar (who will be based on live video) who guides Pat through the situations and solutions needed.

"We designed the modules so participants would experience what it was like to start as a new manager," says Peter Pizzolongo, director of training and associate director of professional development for NAEYC. "The participant, who sees what Pat has to deal with, also will get advice from Chris on how to deal with the problems, which might be anything from a teacher who wanted Pat's job and

didn't get it to a problem with a janitor."

Although the simulation will cover many situations, the overall theme is that of learning how to handle conflict better. Conflict is rife in the educational arena and can be particularly tough for school administrators, Pizzolongo says. "These administrators often are trained more to handle conflict among children rather than adults."

Each of the nine e-learning modules is approximately 45 minutes long, and participants will perform exercises, complete readings, and participate in group discussions as preparation or follow-up for the simulation experience. "This blended approach is best for our audience," Pizzolongo says, "because early childhood education is a high-touch profession, and members of our profession often like to learn in group situations." 🅣

CONVERGYS: IMPROVING CALL CENTER PERFORMANCE

Convergys is a customer service and HR software company based in Cincinnati, OH. One of its biggest lines of business is training call center agents to provide customer service, sales, and technical support to Convergys' clients, such as T-Mobile and Wachovia Financial Services.

As part of the new hire training program for call center agents, Convergys uses simulations extensively. Using a browser-based platform from Knowlagent, a simulations provider in Alpharetta, GA, Convergys runs its agents through various call scenarios with "clients," and provides other types of training. Agents work with customers, use systems, learn the process for handling a call, and get feedback and assessment at the end of the simulation. The company also uses another simulation to teach leaders and managers how to coach agents during calls.

"We use Flash and Captivate to simulate the call, and photo stills to simulate the customer," says Scott Kissel, director of learning consulting and curriculum for Convergys. "The scenarios include dynamic branching to pitfalls, mistakes, and good choices for customer interactions. That gives the agent room to fail, and also to learn."

An important part of Convergys' simulation strategy is assessment. Agents in training get coaching and feedback during each simulation on what went right and what went wrong. But before they "graduate" from training, they are observed on a live call.

Kissel says the immersive nature of simulations

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makes it possible to spend less time training agents and more time improving their actual performance. "Agents trained this way can start taking actual calls, without the need for an extended classroom or role-playing program, within days instead of weeks," he says.

Call centers are metric-heavy environments, and so it's easy for the business analytics team that tracks agents' performance in the simulations to gather a lot of data and analyze the value and effectiveness of Convergys' training. The team has used that data to compare the performance of a control group after ordinary training to a pilot group that is trained by way of simulations, and to show that simulation training is having a strong positive effect on performance. 🅣

COMPUWARE: STRENGTHENING SITUATIONAL LEADERSHIP

Headquartered in Detroit, MI, Compuware Corporation provides software and professional services to information technology users; it has approximately 6,100 employees globally. For the last two years, Compuware has been using a simulation from Ninth House (a learning technology provider in San Francisco) to teach skills in situational leadership. Managers from all levels start with e-learning modules that include content knowledge on situational leadership, and they encounter a simulation in the context of that e-learning. The program focuses on improving managers' skills at coaching others in these leadership skills. So the managers who go through the simulation actually are coaching other characters in what to do in the given situation, which is a team that is required to go into a gold mine.

Afterward, they go through two-and-a-half hours of instructor-led training, which includes discussion about how to apply the new skills to real business situations. The instructor-led training does not involve any simulations, but it incorporates images from the simulation.

"The owner of the gold mine has to decide who will lead the team into the mine, and then has to coach that leader in making good decisions while the team is in the mine," says Sue Jayroe, manager of organizational development for Compuware. "If the person who leads makes bad decisions from a safety perspective, then people can die in the mine."

Boasting full sound and video, the computer-based simulation stops at decision points and won't continue until participants make a decision.

"For example, if the participant who is assigned the role of the nurse becomes one-sided about what he or she thinks the team ought to do, that person needs proper coaching so the members of the team who need medical assistance can get it," Jayroe says. Although participants can go through the simulation again, they can't turn back and make the right decision. Each decision plays out in specific consequences.

After participants have completed the leadership program, they evaluate how the simulation aspect of the program has improved their abilities to do their job effectively. "We're getting an average of 4.7 on a 5-point scale," Jayroe says. **t**

LESSONS LEARNED

Not every simulation needs to head to the next dimension. Some companies are experimenting with virtual reality in their simulations, but others are just using some 3-D elements in an otherwise non-virtual environment. "We use some 3-D navigation in simulations that teach product knowledge, such as the virtual product tours that let you rotate the product and see it from different angles," says Scott Kissel, director of learning consulting and curriculum for Convergys. "That's because our environment is about toggling between applications on screen and managing the conversation with an unseen customer."

Feedback is essential. Otherwise, learners won't see why they should have done something differently—or the same, for that matter. For example, the National Association for the Education of Young Children's (NAEYC) conflict resolution simulation includes a scorecard that runs in the background. At the end of the simulation, the user can print out a feedback report that incorporates all the decisions made. It tells them which decision was the right one at each turning point. Compuware's leadership simulation also gives feedback on the optimal choice in each decision.

Is it really simulation? It may not be important to your objectives, but because simulation has become the hot concept, there's a tendency to call almost anything that isn't a PowerPoint presentation a simulation. "For some types of situations, animation—by itself, anyway—is not simulation," says Lori Kavle, president and CEO of Simulations International. "Some tools incorporate branching, and that's not necessarily simulation, particularly if the learner isn't doing something. User experience is the main thing."

That's why a key component of simulation is consequences of decisions that can't be called back. As such, learners have to live with what they decide, and that puts them in a more active role. "There has to be some notion of a willing suspension of disbelief," says Todd Norris, chief simulation strategist for Simulations International. "The feeling of control in a good simulation is an illusion, but it's a useful one, because when learners then have to live with the results of their decisions, they are more engaged."

Not every training problem is amenable to simulation. Norris says there are several areas in training where simulation makes no sense. One of those is product knowledge. Sales skills in conveying product knowledge work well in simulations, but product knowledge alone is best conveyed straightforwardly.

Older training programs that need freshening up won't necessarily be improved by simulations. "If you simulate a bad program, it's just going to be digitally bad," Norris warns.

Simulations can create an environment in which human beings interact, but they are not often successful in creating human interactivity. "It's just too complex to stuff into a computer," Kavle says. "Simulations that try to capture the nuances of employee interviews or diversity training are usually pretty bad."