



“Advice To My Successor ..”

Kyle Huggins teaches Marketing Management 485 mostly to senior students at James Madison University in Harrisonburg, Virginia and uses the LINKS Marketing Strategy Simulation.

You have your students write an “Advice To My Successor” memo. Why do you do this?

At the beginning of class, there is so much hesitancy with LINKS because it is brand new. Students are worried about how well they are going to do and all of the decisions they are going to have to make since this is nothing like what have ever done before.

For the first three weeks of class I run the students through lectures on the entire manual. They take an open-note, open-manual multiple-choice exam covering conjoint analysis, how to calculate product cost, variable costs, all of that. Once they get through the exam part, then we start LINKS.

We offer an optional MEMO procedure to the entire class.

At the end of every semester, I have groups of students write a two-page memo addressed to “brand new LINKS users”. In that two–page memo, they address about 4 or 5 questions that I pose to them about how to get started: what are the things to look for?, ultimately how important is product quality?, how does the reconfiguration process go?, how important is service quality?, availability?, the other volume drivers? — that sort of thing.

They write a two page memo at the end of their semester, so “hind sight is 20/20.” They are reflecting back on their experience with LINKS and noting things that they did and things that they wished they had done differently throughout the LINKS simulation.

Then the next semester, I take the memos that the previous class has written and I auction those off to my new students. I say “here are the memos I have rated 1 through 5, one being they provide the most insight, and 5 the least and we are going to do a blind silent auction.”

They write down the amount they are willing to pay for one of these memos on a piece of paper. The highest bidding team gets the memo with the most insight, and if they bid the lowest amount, that team gets the memo with the least insight, and if they bid zero, they don't get any memo at all. They have to bid at least one dollar.

I did have a team last semester that strategically bid just one dollar for their memo, and they got a memo with some insight for that low amount, while the winning team that bid \$750,000. got the #1-rated memo.

I take the amounts they bid and plunk them in as consulting fees amounts that the instructors have privy to. Along with the Twitter Race* balances and auction fees--these are calculated together and put into the first run as a fee. A lot of times, students will benchmark how much they won in the Twitter Race and that's only the amount they will offer up for the memos. If any team should tie on the amount bid, I go to the results of the Twitter Race and the team that was ahead there wins the tie.

How do you use Twitter?

* (Twitter Race)--As soon as the industry is initialized and they get their passwords, the very next day I set aside two hours to tell them via email, or blackboard that the Twitter Race has begun. I give students my Twitter handle and tell them that the first team that gets every member of their group to joins and follows my Twitter account, gets a consulting bonus. The next teams get a bonus but in a lesser amount. So for every team (n) there is (n-1) bonuses given out. The last-placed team gets nothing.

Twitter is my information sending source. Anything about the industry, or about the progress of the LINKS runs, are posted there. It goes directly to their phone. It keeps them engaged the entire semester. Also if anything comes down in the real world from Fox News, CNN or CNBC that stands out, then I send that on with a message “this could or could not have an effect on your particular LINKS industry. Be looking for this in the future.” For example, if there were transportation issues off the coast of Africa, or the Pirates, that would halt transportation, as we are looking at the transportation part of LINKS, I would actually use those real world events to simulate an effect on their actual LINKS industry.

Have you just started doing this or do you have a track record already? What do the students think of it?

I have done it for awhile—at least the past four semesters. The students really like it. It is a fun activity that we do in class and it reduces the amount of fear and hesitancy they have during that first quarter's run which is always the most scary. They take that information and start to build some useful strategy to use and make decisions for the first run. In fact, this quarter that just ran—it was the fourth quarter, one firm put the memo to really good use and jumped out with about a four and a half-million dollar lead. They were really happy with their memos.

Obviously you review the memos. Do the students have any access to prior year's memos?

Ultimately, I take the memos from the previous two semesters and rank them so that I get 5 or 6 of the best. I tell the students upfront that these are categorically ranked by me as to what I consider to be insight and not just repeating what's in the manual. They explain issues they ran into and how they resolved them. It does not give them the entire span of the simulation process but it imparts three to four good nuggets of insight which gives them a beginning game strategy.

These "Advice To My Successor" memos are written collectively as a team.

Are you satisfied with your results?

It has done what I wanted it to do, which was--ease some of their worries at the beginning. Once they read through the memos they can say to themselves, "here is a student that was in my exact same position at this time last semester, they made it through the process and they are giving me insight. If they can do it, I can do it." I think it is inspirational to them. What it does it quells their fears.

There are certain areas that I tell them they are not supposed to write about in the memo, so as not to give everything away. Forecasting is one of those areas. I tell them to stay away specifically from things that are directly related to their industry such as Alpha/Beta levels which change from an industry to industry basis. I want them to report in general terms not specific.

When you receive the memos, do you edit them?

I tell the students to do it. I grade it and then tell them the editorial changes I want them to make. As part of their grade, I give a certain number of points back if they make and changes and get it back to me. It helps that the student goes through the editorial process, and then too, I don't have to do the work. They also know that their memo is going to be used the following semester and they are excited about that. There is a "pay it forward" mentality in doing these memos.