

EDUCATION THROUGH SIMULATED ENTERPRISE

Elena MOISE
Cristina COCULESCU
George CĂRUȚAȘU¹

ABSTRACT

Current economic context, characterized by the expansion and intensification of globalization and profound generate major changes in all areas of activity, both at micro and macroeconomic and social level. The rapid pace of these changes significantly affect the evolution of the labor market, acting as a result of interactions between vector competence and skills supply and labor demand. To ensure equilibrium in the labor market, the educational system must continuously adapt theoretical and practical methods to form appropriate human resources specializations, well prepared in terms of professional and managerial skills. In this regard, the simulated enterprise is an interactive method suitable for teaching and deepen knowledge and developing entrepreneurship. In a virtual environment, simulated enterprise enables modeling all activities and processes that can take place in a real organization, providing a bridge between theory and practice. In this paper we present some of the results of the approach taken to develop the methodology for establishing and running a business providing interactive simulation as a method of learning.

Keyword: education, skills, abilities, simulated enterprise

JEL code: A2, C7, D1, D2

1. THE CONCEPT OF "SIMULATED ENTERPRISE"

The concept of simulated enterprise/training firm was founded scientific and methodological Austrian educational project "Establishment of a Regional Network of Education on Economic Policy and the School Level".

Introducing learning method through simulated enterprise in education in Romania, was done gradually, in 2001-2004, in vocational education, the project ECO NET initiated in the Stability Pact for South Eastern Europe, conducted by the National Center Development of Technical and Vocational Education (CNDIPT) of Romania and the Ministry of Education and Culture and the Austrian Kulturkontakt [9].

General framework for developing and implementing the concept of "simulated enterprise" in the education system in Romania is provided by the Central Office of firms / enterprises simulated in Romania (Romanian Coordination Centre of Training Firms - ROCT) is a department within the National Centre for Development Vocational Education and Training, with the main responsibilities registration training firms / businesses simulated in

¹ Ph.D. Associate Professor Romanian-American University, Bucharest - Romania

secondary education and higher education in Romania, as well as coordinating the operation of the national network formed from them.

Simulated enterprise provides a framework for teaching and learning the multidisciplinary expertise combined with management and marketing are fixed and deepened through experimentation. Their synergy leads to the formation and development of entrepreneurial spirit and skills, making integration easier prerequisites of future graduates in the labor market.

Any teaching method that involves learning by doing is based on the fundamental principles of simulation method. To get to the essence without actually have built simulation model of reality that facilitates knowledge through experimentation. On such a basis is developed and simulated enterprise concept, which has become the way of implementing a real-time learning method. The simulation model of all activities and processes that can take place in a real business, and its relations with other enterprises and institutions, learning through simulated enterprise provides interdisciplinary integration and application of knowledge [1].

This modern conception of teaching and learning enables integrated deepen knowledge and skills in their practical application.

Ensure the establishment and operation of a simulated business that interactive learning method involves the following main steps:

Step 1. Setting up and registering the company simulated

Step 2. Develop a business plan and financing

Step 3. Design positions and allocation of students

Step 4. Implement the proposed activities simulated enterprise

Simulated form of the company depends on the nature of activities carried out within it. For businesses simulated the recommended legal form SRL (limited liability company) with possibilities of further processing in SA (limited company). To achieve the objectives set, simulated enterprise must operate on the basis of a business plan and financing their own well founded in technical and economic terms [7].

Achieving the business plan in terms of business development, involves correlating its activity with business reality, orientation activities and processes in order to obtain profit. The expected results from the use of this method are: increasing the employability of graduates on the labor market, facilitating the transition from school to work, a better adaptation to changing jobs.

2. ASSESSMENT METHODS OF SIMULATED ENTERPRISE ACTIVITIES

Before setting stage in which students' debates to identify the following:

- *Choice of activity* for which will take account of the training of the student, in order to both better use of its knowledge and skills;
- *Establish business idea in the* chosen area, for which proposals will listen to all students involved and will be a panel discussion. It encourages students to creativity and the arguments justifying an innovative approach and perspective.

Assessment of student participation in this activity can be done by scoring in a "scorecards", following that business idea you get the highest score to be implemented.

Scorecard 1 - Choosing business idea

Student name	Business idea	Description	Arguments for implementation	Score	Remarks

- *Determine the name of the company*, which implement business idea developed previously. For this, each student can award points proposed designations and the final choice will be based on the maximum score obtained.

Student name	Name of the company	Score

Scorecard 2 – Acts for establishing firm

- *The choice of legal form*. Legal form of company organization influences, namely: number of associated persons, capital, equity, procedure for establishing etc.

Setting stage, in which it draw up the necessary documents and follow specific steps of this procedure. The necessary documents for constituting the company will be presented to students and how to fill their.

Assessment activities carried out by students will be taking into account criteria: how to complete the documents (all fields required) and accuracy of filling them depending on which students will receive a score. Keep in mind the timing of these activities.

Scorecard 2 - Measurement of company setting

Student name	Filling documents	Documents are completed correctly	Score	Remarks

Recruiting and hiring employees in simulated enterprise

Putting the idea of business is conducted by employees recruited for positions in the company. Recruiting human resources means all activities of the company to attract candidates who possess skills for a position.

Activities: recruiting, drafting the letter of intent, simulation activities during the job interview, identifying the objectives and responsibilities of the job, completing contract work, preparing payroll.

Scorecards 3 and 4

Scorecard 3 - Appropriate department employee job description

Student name	Identifying job goals	Identifying responsibilities	Identifying personal requirements of the job	Identify specialized requirements of the job

Scorecard 4 - Preparing payroll

Student name	Employee taxes calculus	Income calculus	Filling payroll	Score

Business plan and defining the economic environment of the company

Achieving the business plan in terms of business development, involves correlating its activity with business reality, orientation activities and processes in order to obtain profit. The business plan must show that there is a market segment that can be served by the company and it will not be taken over by competitors. It is important to predict both response to the emergence of new competitors in the market firms and the strategy that the firm will adopt to resist [4].

Activities: designing the structure of a business plan and financial projections of the business establishment

Assessment: Scorecard 5

Scorecard 5 - Structure of the business plan. Calculation of financial projections

Student name	Business plan structure	Incomes forecasting	Expenditure forecasting	Financial records	Score
Total					

Business analysis should include potential customers and suppliers, the company's market position and competitive relationships with other companies. It will prepare portfolios of customers and suppliers based on market conditions existing in the real economic activity of the enterprise domain corresponding simulated.

Regarding the selection of the clients is necessary to take into account criteria like: what preferences have who buy their average income, which features values particularly in commodity (quality, price, etc.). The criteria for determining the main characteristics of prospective customers and will underpin the delimitation of segments of potential customers. Following this information we can proceed to define a clear offers personalized, attractive. If there are more products offered, analysis can be done for customers of each product. Choosing suppliers will consider quality, price, their market position, etc. and can follow the same procedure as described above, will be issued an order for products by selected suppliers.

Activities: preparing portfolios of suppliers and customers

Assessment: Scorecard 6

Scorecard 6 - Drawing portfolios of clients and potential suppliers

Student name	Potential suppliers	Potential clients	Score	Remarks

Analysis of competition in the relevant market is important because it allows differentiation bid to increase business opportunities. The market is found more competitors, the more customization is required to provide offer something extra to them. It is important to identify the main competitors of the company and the market segments we serve by: types of products offered by competitors; quality, price products, discounts, guarantees granted; advantages competitors on customer loyalty, their reputation.

The business plan must show that there is a market segment that can be served by the company and it will not be taken over by competitors. The information above helps to substantiate the market segment chosen by the firm. It is important to predict both response to the emergence of new competitors in the market firms and the strategy that the firm will adopt to resist.

Activities: analysis of market competition

Assessment: Scorecard 7

Competitor Analysis

Factor	Strengths	Weaknesses	Competitor A	Competitor B	The importance of customer (values are given)
Goods					
Price					
Quality					

Company reputation					
Selling method					

Scorecard 7 - Analysis of market competition

Student name	Competitor A	Competitor B	Score	Remarks

The marketing is the science of persuading customers to buy, but also to sell. Therefore this activity involves working links with departments: purchasing, sales, production and finance. Operations necessary to conduct marketing activities are the following: market study, preparation of publicity materials, creation and updating price lists and catalogs of products, participation in fairs and exhibitions, promoting company image. Marketing mix includes the following: product policy, price policy, investment policy (distribution), promotion policy [8].

This negative effect on profit enterprise simulation and on its market share. The measures that can be applied and policy involving price and product can be: maintaining the current price and competitor price monitoring, price reduction, increased product quality, increase quality and price, launch an attack marks with cheap price.

Students will choose and apply options that best fit that category of products sold, and target market. In order to choose the optimal marketing mix and operationalization is necessary to apply mathematical modeling.

Activities: applying marketing mix based on a given situation or price reduction by competitors.

Assessment: Scorecard 8

Student name	Choosing the optimal mix	Identification of mix effects on competition and enterprise simulated results	Score

Activities: development of publicity materials necessary to promote the product

Assessment: Scorecard 9

Student name	Techniques and tools for promoting addressed	Creativity and originality	Score

3. COMMERCIAL ACTIVITY

In its work supply commercial department employees necessary to carry out the following tasks: establishing necessary products, draw requests for proposals, prepare the list of suppliers, request bids and compare them, draw controls and record them in the register of orders, receive invoices from suppliers and prepare notes for the reception, they transmit the accounting record. For sales activity menus following: responding to requests for proposals, developing proposals, invoices for the sale, transmission accounting bills, compiling client, preparing sales situation. Pre-operational means addressing customer product sales and negotiation: the approach is by submission of the offer, the catalog company; negotiation refers to the price, terms of delivery and payment, loyalty through bonuses etc. Once the negotiation is concluded contract of sale - purchase.

Activities: Comparison of the two offers (from suppliers), choosing the best and motivate the choice

Assessment: Scorecard 10

Activities: Drawing up an offer of sale and end of contract with the client

Assessment: Scorecard 11

Scorecard 10 Comparison of the two offers (from suppliers), choosing the best and motivate the choice

Student name	Identification of selection criteria	Choosing the best offer	Drawing order	Score

Scorecard 11 drawing an offer to sell and conclusion of the contract with the client

Student name	Fairness of offer data	Correctness of the contract data	Score	Remarks

4. PERIODIC INTERNAL EVALUATION STAFF

Staff performance evaluation is the process of determining how and the extent to which employees meet their responsibilities in relation to the position held. Performance criteria must meet the following requirements: be clearly formulated, measurable, and applicable to all employees holding the same job or similar positions. Performance criteria are: personal characteristics (skills), adaptation to the job, competence, decision making capacity, teamwork, delegation of responsibilities, communication and performance orientation.

To assess the tasks necessary to prepare job descriptions for all company employees. The job description includes the following sections, each will be performed analytically: job

identification, job requirements, specific conditions of employment, job descriptions, duties, performance standards of the job.

Activities: making their job description by each employee and performance evaluation

Evaluation: Scorecard 12

Scorecard 12 - regular internal evaluation staff

Student name	The correct identification of requirements and performance standards of the position held	Choice of performance criteria for evaluation	Granting own score following evaluation	Reasoning scores awarded	Scorecard

5. RESEARCH, DEVELOPMENT AND PRODUCTION

The production is carried out in close liaison with supply-chain activities, is the main link between them. Therefore, simulating the production process must be integrated throughout the supply chain to reflect the main causal link between its components, and the interrelationships of the three decision models (supply, production, sales).

Conducting simulation assumes a form which contains a set of decisions in the areas of production monthly, financial, commercial and R & D (Scorecard 13).

Scorecard 13 – Production

R & D Decisions- XYZ company		PRODUCTION MONTH.....
Distribution of equipment depending on the duration of operation		One shift - Two shifts - Three shifts
Number of hours of maintenance / repair per machine		
R & D budget in the production		
R & D budget in marketing		
Necessary products		
Number of sales representatives		
Advertising budget		
The selling price		

These decisions are based on the results of decisions taken in the previous month synthesized as a set of performance indicators [6].

Scorecard 14 – Performance indicators

Performance indicators XYZ company		PRODUCTION MONTH.....	
Total running time of equipment			
Production quote		Production capacity	
Initial stock of materials			
The volume of supplies			
Consumption of materials		Possible production	
Final stock of materials			
		Production achieved	
Sales volume		The amount of scrap	
Final stock of finished goods		Stock of finished goods	
		The value of sales	
		Total revenue	
Unit production cost		Total expenditure	

6. REGULAR FINANCIAL REPORTING

Accounting provides information about the assets, business situation and the results of its activity and allows determination of profitability, risk and firm value.

The scorecard related accounting operations and carrying out the activity within the company is:

Scorecard 15 – Financial reporting

Accounting operations	Registering accounts	Amount

7. CONCLUSION

Simulated enterprise is a modern interactive learning method which allows deepening practice, by experience, specialized knowledge, thereby contributing to the improvement of professional skills as well as entrepreneurial skills training. Within the created virtual simulated enterprise combines theoretical knowledge from various disciplines: economics, management, marketing, accounting, computer science, foreign languages, computer science, law, etc., giving students an overview of the entire system generically called "enterprise".

Integrated approach to all activities and processes that can take place in a real company, and its relations with other companies and institutions, allows observation and analysis of

interdisciplinary knowledge synergy. In this interactive teaching and learning, each simulated enterprise is established and operates similar to a real situation in accordance with the law for companies in the real economy. Can be simulated such conditions of work in situations of certainty, uncertainty or risk, making decisions and pursuing managerial generated by the whole endeavor. In the event of bad decisions, experimentation in a virtual environment is superior real framework.

The main objective of the company is to develop simulated among students' knowledge, attitudes and skills that help them to perform effectively in the profession after graduation and employment, such as teamwork, competitive spirit, initiative, perseverance and creativity. The simulated enterprise is acquire and develop fundamental skills required of graduates in the labor market integration: ability to work and team spirit of cooperation, interdisciplinary thinking, competitiveness, initiative, perseverance and creativity. Skills and competences acquired through practice in simulated enterprise in an interactive and through an integrated approach facilitates the transition from theory to practice, from school to work, contributing to a better adjustment and labor market integration work.

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