Strategic ProfitAbility is a management development programme that teaches participants how strategic, operating and financing decisions drive value creation. The programme combines conceptual training in strategy with the immediate opportunity to apply concepts in a fast-paced, competitive and engaging business simulation.

This simulation is an extension of the Corporate ProfitAbility simulation, designed to incorporate more strategic inputs, and targeted at senior level executives within any organisation.

The “learning by doing” approach builds strategic thinking, triggers shared insights that lead to real behaviour changes in the workplace, and results in much higher retention than traditional training methods.

This challenging business simulation is designed for CXOs, strategy developers and top decision makers.

Learning criteria

Strategic ProfitAbility simulates the workings of a company, complete with manufacturing, sales, marketing and financial operations.

The simulation builds business strategy formulation and implementation skills. This hands-on learning experience gives senior-level participants the opportunity to learn about:

- the formulation and adjustment of strategy under rapidly changing and uncertain conditions
- the consequences of strategic choices
- how to prioritise amongst multiple issues and opportunities
- using value-based management to guide strategic choices
- the added complexities of a global business; incorporating financial analysis in strategy formulation and execution
- and working effectively with other members of the management team.

What will participants do?

Each participant is part of a small team, in competition with up to five other teams, managing the growth of a small and barely profitable business in an environment rich with opportunities and threats.

Each team decides its R&D priorities, which products and markets to invest in, which production methods to use, the level of capital investment, price and promotion policies, and how the business is to be financed. The goal is to outperform your competitors by creating more profit and value than them, while maintaining cash flow that is critical to the business. The simulation is run over up to eight business cycles. After each period of activity, there are teaching inputs followed by relevant exercises.
Teaching inputs
• Statement of Cash Flow
• Fixed & Variable Costs
• Variance and Break-Even Analysis
• Basic and advanced Ratio Analysis
• Setting Share Prices

Exercises
• Competitor Analysis
• Strategic Planning
• Value Creation Metrics
• Discounted Cash Flow
• Internal Rate of Return

Learning outcomes
• Business plans, budgets, operational and financial plans and variance analysis
• Setting a price, standard and full costings, fixed and variable costs, and break-even analysis
• Cash flow, profit and loss accounts, balance sheets and depreciation
• Managing receivables, suppliers and loans
• Ratio analysis and shareholder value
• Diversification through product and market development
• Dealing with a competitive market and links to the real world
• Full manufacturing simulation including R&D, quality, buy or lease, machinery efficiencies, purchasing materials, J.I.T. operations and much more.

The Business Savvy Survey
No pre-work is required for this simulation, though prior to the programme participants may be asked to do a web-based questionnaire, the Business Savvy Survey. This 15-minute exercise assesses the level of participants’ business financial acumen. The result is virtually instantaneous, is only sent to the participant themselves and is confidential. The project sponsor will receive aggregated results to allow them to measure the impact of the simulation.

Furthermore, participants can take the test anytime after the ProfitAbility programme to record exactly how much and where they have improved.

Contact ProfitAbility on +44 (0)1491 821900 and find out more about Strategic ProfitAbility