



TOPSIM – STARTUP

PARTICIPANTS MANUAL
FOUNDING TOOL

Version 4.0

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1 WHAT IS TOPSIM – STARTUP

TOPSIM – Startup provides you with a sophisticated, computer-based business simulation game. While playing, you and your teammates found an independent company in the surfboard industry. The simulation depicts a life-like model of a startup and offers you a learning experience that is:

- ▶ fast
- ▶ risk-free
- ▶ practical
- ▶ long-lasting

The simulation game uses an interactive teaching and learning method (action learning) according to the principle:

LEARNING BUSINESS BY DOING BUSINESS

1.1

Training objectives of TOPSIM – Startup:

- ▶ Manage the complexity of information in a start-up situation
- ▶ Identify demand potential, target groups and competitive advantages
- ▶ Create a business plan with the help of the business plan-assistant
- ▶ Become familiar with and be able to compare options for raising capital
- ▶ Develop effective negotiation skills with investors
- ▶ Learn to interpret internal and external accounting data for corporate management

2 THE SEMINAR PROCESS

The TOPSIM – Startup simulation is divided into several phases.



You will work with the foundation tool until you found your company. This tool supports you in creating both a business model and a strategic business plan.

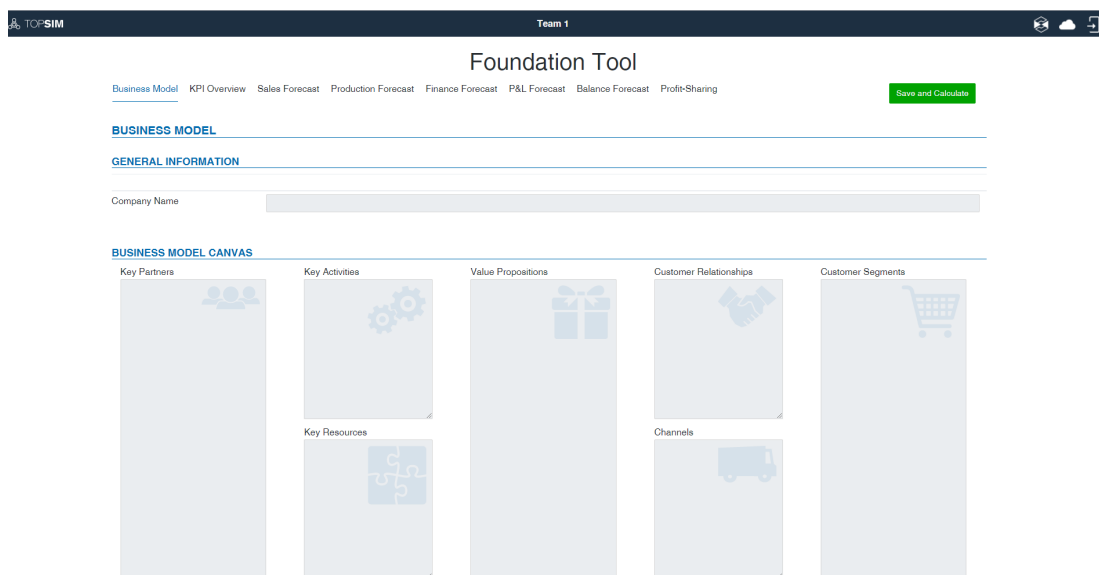
To begin, a general note on working with the foundation tool (Business Model Canvas and business plan):


- ▶ Only one team member can calculate the business plan. The data entered by the other team members will be overwritten! It is therefore best if the team uses only one computer for inputting data in the foundation tool while the other computers are used for research in the Startup Web.
- ▶ The teams should save their business model and business plan regularly by clicking on the "save and calculate" button.

2.1

DEVELOPING A BUSINESS IDEA

You can use the Business Model Canvas to develop your business idea for a new surfboard manufacturer start-up. You can find it on the following website: cloud.topsim.com.



On the first page, you have the option to enter your company's name. In addition, you can find the new components of the Business Model Canvas. With this tool, you can develop your business idea into a business model. You can find a video explaining the Business Model Canvas by clicking on the video-icon . The business model can be saved by clicking on the button “Save and Calculate” on the foundation tool.

Save and Calculate

2.2

INFORMATION GATHERING

Important information about market developments, surfboards and Santa Beach can be found on the Startup Web: startup.topsim.com

You can find the following subjects on the webpage:

- ▶ Information about Santa Beach
- ▶ Latest local and global news
- ▶ Details about manufacturing surfboards and a market study
- ▶ Information about production planning and various suppliers
- ▶ Possible properties for the foundation of your company
- ▶ Information about financing possibilities
- ▶ Advertisements of a marketing agency and a web developer
- ▶ Tips and tricks for entrepreneurs from a consultant.



2.3 CREATING A BUSINESS PLAN

Using your developed business model, you can create a concrete business plan. Based on this, you will plan the first six semesters of your new founded company. A promising business plan will allow you to convince potential investors to support your business..

While creating the business plan, it is recommended to follow this sequence /order:

Foundation Tool

Business Model KPI Overview Sales Forecast Production Forecast Finance Forecast P&L Forecast Balance Forecast Profit-Sharing Save and Calculate

SALES FORECAST

MARKETING-MIX

	Season 1 (Winter)	Season 2 (Summer)	Season 3 (Winter)	Season 4 (Summer)	Season 5 (Winter)	Season 6 (Summer)
Price (EUR)	801	0	0	0	0	0
Advertising (EUR)	50.001	0	0	0	0	0
Customer Service (Nr. Persons)	1	1	1	1	1	1
Final Workforce Technology (Nr. Persons)	0	0	0	0	0	0

1. Sales forecast: How big is the market? How much market share can be won? Determine your marketing-mix factors.
2. Production planning: Select location of your production plant. Plan the production quan-

tity, production staff and the capacity of the production lines.

3. Financial planning: Take-out loans and acquire shareholder capital.
4. Calculate the business plan based on your business model and expected results.
5. Analyze the resulting income statement, planned balance and the internal processes for your plan and make adjustments as necessary.

Changes within the foundation tool are always highlighted in orange. As soon as the changes have been calculated, they appear gray again. After the calculation, all the values are updated so that the participants can directly see the impact of their decisions..

The foundation tool will assist you so you do not need to enter all of the values yourself. However, it is still recommended to track those values because the tool will not be available later in the simulation. You will have to hire a consultant to receive the service.

The following graphic shows which seasons will be played in the simulation and which period it corresponds with:



2.4 NEGOTIATING WITH INVESTORS


On the basis of your business plan, it is your job to try to convince investors to invest in your company. Most entrepreneurs will need to raise the rest of their needed capital through short-term loans. Particularly at the beginning of starting a company high levels of liquidity are needed. For example, the entrepreneur must finance the building and equipment. The terms of the credit will be communicated and granted by the *Royal Bank of Beaches* and a maximum credit amount for start-ups is in place, so please contact your seminar facilitator with further questions.

Another financing possibility is to find an investor. In return for company shares an investor will provide financial support for your start-up. The amount of the shares is up to your team and the team’s negotiation skills. The business plan should be the crucial factor to convince the investor about the concept and success of your business idea.

2.5 COMPANY FOUNDATION

After gaining the necessary financial resources, either from an investor or a bank, you can officially found your company and enter the market of Santa Beach. You will be sure to find competitors selling surfboard in the Santa Beach market.

After the foundation, you will be transferred from the foundation tool to the actual game inter-

face in the TOPSIM - Cloud. You can always switch back by clicking the “Startup” button  Startup is located in the lower left corner. However, you will no longer be able to make any changes to the business plan. To calculate new forecasts, you will need to employ the services of an external consultant, who will normally charge you for their time. This service is called “planning guide” (see chapter 3).

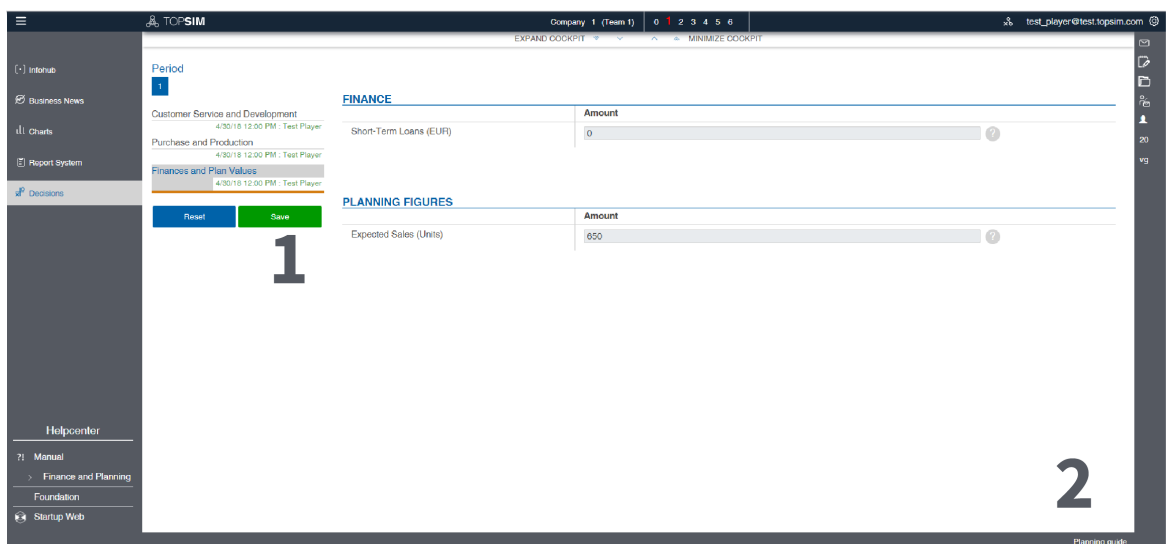
2.6 MANAGEMENT

After successful founding your company, your new task is to compete in the market and adapt yourself and your company as needed while still following a defined strategy.

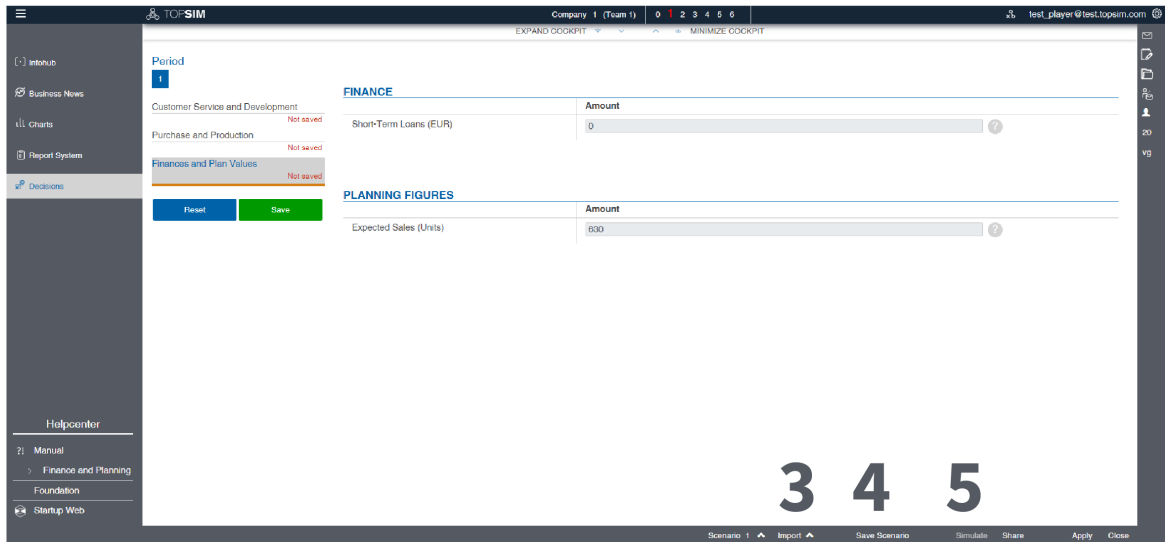
3 USING THE PLANNING GUIDE

The “planning guide” is a tool which is only available to the participants in specific simulations. The seminar leader has the option enabling the tool. You can use the tool to simulate the next period based on your calculated estimates (for example presumed sales). The tool should help to understand the complexity of the simulation and the correlations of your decisions. Each use of the “planning guide” costs €2,000 (unless stated differently).

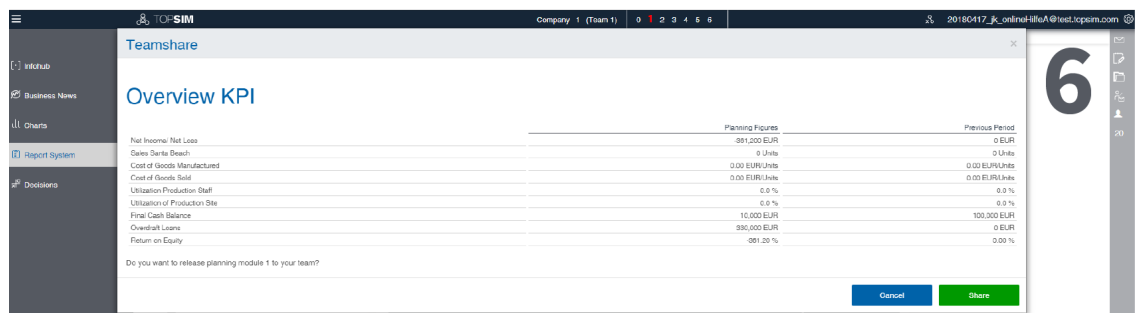
The following section will explain how to use the “planning guide” tool in the TOPSIM- Cloud.



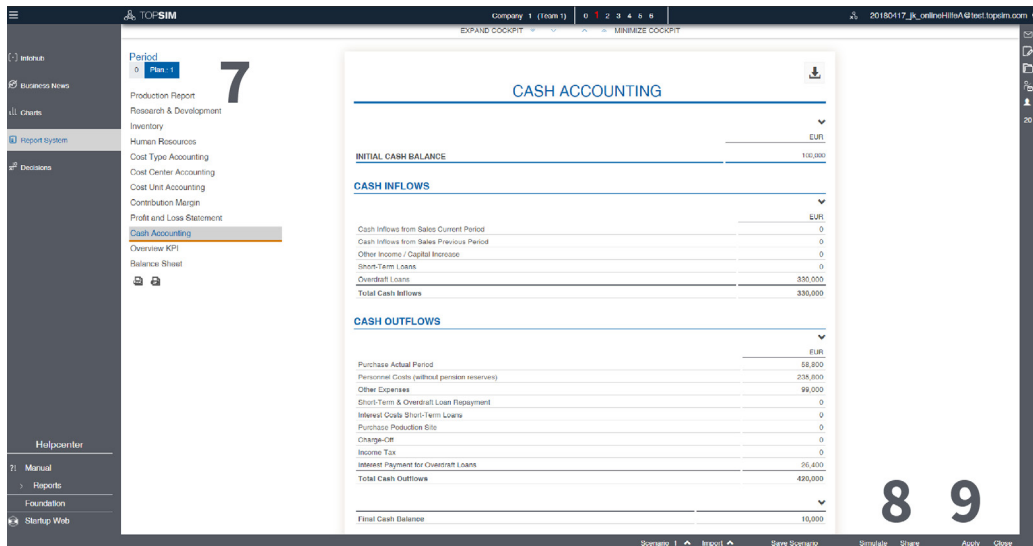
1. Before opening the “planning guide”, save all of your decisions. In the save module, you can see which categories still have unsaved decisions.
2. Open the “planning guide” by clicking on the button “planning guide” on the bottom right corner.



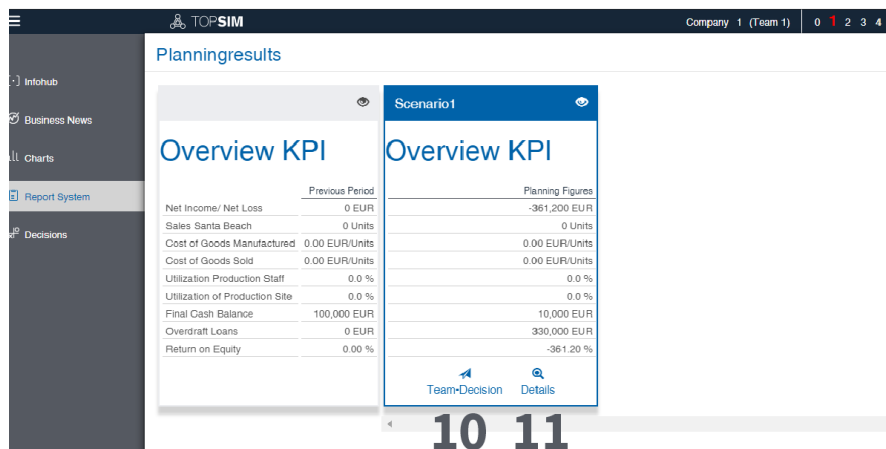
3. Import: To import your decisions to the “planning guide”, click on “Import” and afterwards on “Import Decisions”. After you confirm the import, your current decisions will be updated into scenario. Additionally, you can import scenarios that were already calculated or scenarios from your team members.
4. Saving a scenario: You can also make your decisions in the “forecaster.” Once you have made all of your decisions, you can save the scenario.
5. Simulating Your Results: Click on “simulate” after saving your decisions. You will receive a decision overview of your saved scenario. By clicking once again on the button “simulate” your decisions will be simulated. The most important KPIs will be shown afterwards..



6. The overview of the most important indicators of the company will provide you with a first look into how your decisions impacted your company. It is important to keep in mind that the results are based on the predicted sales that you enter. If the predicted sales differ from the actual sales, the results will differ too.



7. Reporting System: If you close the overview of the indicators, you can open the reporting system with the button “report system” in the menu. Here you can see detailed reports based on your entered decisions and predicted sales.
8. You can share the calculated scenarios with your team members. To share a scenario, click on the “share” button after simulating the scenario and afterwards on “share”. The team members can load the scenario with the “import” button and see the KPI’s. By clicking on “share” again, you can stop sharing the scenario for your team members.
9. By clicking on “Apply,” you can see all scenarios next to each other so you can compare them.
10. To select a scenario and transfer its decisions to the decision screen, click on “team-decision”
11. The option „details“ allows you look at the scenario once again.



We hope you have fun and wish you luck with TOPSIM – Startup!