GLO-BUS: Developing Winning Strategies
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Overview and Orientation
What Is GLO-BUS All About?

- **GLO-BUS** is an online, PC-based exercise where you run a digital camera company in head-to-head competition against companies run by other class members.

- Companies produce entry-level and upscale, multi-featured cameras of varying designs and quality in a Taiwan assembly facility and ship assembled cameras directly to retailers in North America, Asia-Pacific, Europe-Africa, and Latin America.
You and your co-managers will make decisions each period relating to

- R&D, camera components and features, and camera quality performance (up to 10 decisions)
- Production operations and worker compensation (up to 15 decisions)
- Pricing and marketing (up to 16 decisions)
- Corporate social responsibility and citizenship (as many as 6 decisions)
- Financing of company operations (as many as 4 decisions).
Competition Is Head-to-Head: Company against Company

The head-to-head competition among companies in each of the two worldwide product segments (entry-level and multi-featured digital cameras) is based on 10 factors:

- Price
- Camera performance and quality
- Number of quarterly sales promotions
- Length of promotions in weeks
- The size of the promotional discounts offered,
- Advertising
- The number of camera models
- Size of retail dealer network
- Length of warranty period
- Technical support provided to camera buyers
Some Features of the Market and Company Environment

- The industry setting in GLO-BUS is modeled to closely approximate the *real-world* character of the globally competitive digital camera industry.
  - The functioning of the marketplace in GLO-BUS mirrors the competitive functioning of the real-world digital camera market, thus allowing you and your co-managers to proceed rationally and logically in deciding what to do.

- *Company operations are designed to be as realistic as possible*
  - All cause-effect relationships and revenue-cost-profit relationships are based on sound business and economic principles.
The whole concept underlying GLO-BUS is to put you and your co-managers in as realistic a company and competitive market setting as possible and have you manage all aspects of the company’s operations.

- This allows you to test your ideas about how to run a company in a competitive marketplace.
- And you will be provided prompt and detailed feedback on the outcomes of your decisions.
Another option that you may have as the simulation progresses is the opportunity to review the company’s progress on a quarterly basis and to alter a select few (as many as 8) of your decisions quarterly.
Board members and shareholders/investors have set five performance objectives for the company:

1. **Grow earnings per share at least 8% annually through Year 10 and at least 4% annually thereafter.**

2. **Maintain a return on equity investment (ROE) of 15% or more annually.**

3. **Maintain a B+ or higher credit rating.**

4. **Achieve stock price gains averaging about 8% annually through Year 10 and about 4% annually thereafter.**

5. **Achieve an “image rating” of 70 or higher** (the image rating is tied to the performance/quality of a company’s entry-level and multi-featured cameras, its market share penetration in each of the 4 geographic regions, and its actions to display corporate citizenship and social responsibility).
The weights that will be placed on your company’s achievement of each of the five annual performance targets are as follows:

- **EPS** 20%
- **ROE** 20%
- **Credit Rating** 20%
- **Stock Price** 20%
- **Image Rating** 20%
The Two Scoring Standards

Two scoring standards are used in calculating “performance scores” for each company:

- **The investors expectations standard** (Did you meet or beat the annual performance targets for each of the 5 performance measures?)

- **The best-in-industry standard** (How well does your company’s performance stack up against the company with the best EPS, ROE, stock price, and image rating and against an industry-best A+ credit rating?)

The scoring standards are explained in the Participant’s Guide and even more fully on the “Help” screens for pp. 1, 2, and 3 of the GLO-BUS Statistical Review where the company scores are reported.
Everest Tampa Teams

- **Ajoli**
  - Earnings Per Share - Their Earnings Per Share of $9.49 was the 11th best Earnings Per Share performance of the week, worldwide!
  - Return on Average Equity - Their Return on Average Equity of 46.1% tied for the 15th best Return on Average Equity performance of the week, worldwide!
  - Stock Price - Their Stock Price of $156.59 was the 9th best Stock Price performance of the week, worldwide!

- **Ajoli**
  - Were in the top 15 position in the Worldwide and scored in 3 of the 4 areas – EPS (11), ROE (15) and Stock Price (9)
D Eclipse

- Earnings Per Share - Their Earnings Per Share of $13.15 was the 7th best Earnings Per Share performance of the week, worldwide!
- Return on Average Equity - Their Return on Average Equity of 68.5% was the 4th best Return on Average Equity performance of the week, worldwide!
- Stock Price - Their Stock Price of $232.36 was the 5th best Stock Price performance of the week, worldwide!
- D Eclipse
- Were Placed in the 7 Worldwide and scored in 3 of the 4 areas – EPS (7), ROE (4) and Stock Price (5)
Overall Game-To-Date Score - Their Overall Game-To-Date Score of 110.0 tied for the best Overall Game-To-Date Score performance of the week, worldwide!

Earnings Per Share - Their Earnings Per Share of $20.18 was the best Earnings Per Share performance of the week, worldwide!

Return on Average Equity - Their Return on Average Equity of 53.5% was the 10th best Return on Average Equity performance of the week, worldwide!

Stock Price - Their Stock Price of $422.84 was the best Stock Price performance of the week, worldwide!

CJ and T Scored in 4 areas, they were number 1 Worldwide in 3 areas, Overall Game Score, EPS and Stock Price and place number 10 in ROE.