



Connections Exercises

The following exercises are designed to help you make connections between what you have learned in the Zodiak simulation and the strategic and financial issues of your own organization.

Exercise 1

Similarities and Differences

Working with your team, use the space provided below to list ways in which your company is similar to Zodiac and ways in which it is different.

Similarity example: Managing inventory was an important strategy for Zodiac. It may also be important in your business.

Difference example: Zodiac was a privately held company. Your company may sell shares of stock to the public.

Plan to share your responses with the other teams.

Similarities	Differences

Exercise 2

The Numbers and the Story Behind the Numbers

Let's look at your own company's terms, measures and ratios. Using your company's latest financial information, complete the chart below. Calculate any change over the past two years.

Zodiak Terminology	Our Terminology	Our Company Numbers		Change +/-
		Last Year	Prior Year	
Sales/Revenue				
Gross Profit				
EBIT				
Net Profit				
ROA				
ROS				

While it's important to know the numbers, it's equally important to understand the story behind the numbers. With your team, identify the key changes noted in your financial measures, and come up with your best explanation about these changes.

Key Change	The story behind this is...

Exercise 3

Make Profit and Generate Cash: My Organization

Work with your team to complete the following activities. Be ready to share your responses.

You learned that there are two ways to increase profit: reduce expenses and/or increase revenue. You also learned that managing cash is critical. During this exercise, you will analyze what your organization is doing to:

- Reduce expenses
- Increase revenue
- Better manage cash

1. During the game of Zodiac, you implemented several strategies that reduced expenses and improved your cost of goods, such as:

- Implementing process improvements
- Purchasing new systems and equipment
- Increasing quality and reducing losses and returns

Identify at least four similar expense reduction strategies that your organization has implemented, and:

- A. Write each cost-reduction strategy on a separate self-stick note.
- B. Place each on the game board where you think the strategy has had (or is having) the greatest impact.

2. During the game of Zodiak, you implemented strategies that increased sales and/or market share, such as:

- Focusing on current or overseas markets
- Offering new products and bundled products/services
- Making pricing decisions

Identify at least four similar sales growth strategies that your organization has implemented, and:

- A. Write each sales growth strategy on a separate self-stick note.
- B. Place each on the game board where you think the strategy has had (or is having) the greatest impact.

3. During the game of Zodiak, you managed your cash (and other assets) by:

- Changing payment terms
- Paying down debt
- Making capital improvement investments

Identify at least four similar cash management strategies that your organization has implemented, and:

- A. Write each cash management strategy on a separate self-stick note.
- B. Place each on the game board where you think the strategy has had (or is having) the greatest impact.

Exercise 4

Make Profit and Generate Cash: My Department

Work with your team to complete the exercise below. Be ready to share your responses.

Look again at the self-stick notes on your game board. Choose two of each type of strategy; list them below, and come up with ways that your team, department or function can impact or support them.

Organizational Strategies to reduce expenses	How my team/department/function can impact or support

Organizational Strategies to increase revenue	How my team/department/function can impact or support

Organizational Strategies to better manage cash	How my team/department/function can impact or support

Exercise 5

My Personal Impact

You have just reviewed the financial and strategic drivers of success for your organization and your department. Take some time now to consider how *you* can make a personal contribution to success.

Step 1: Identify your areas of influence

Which of the following areas can you influence? Is your potential to influence high, medium or low? Why?

Area of Impact	My Influence (circle one)	Explain Rating
Reducing a department expense	Low / Medium / High	
Increasing sales/revenue	Low / Medium / High	
Improving supplier relationships, costs or processes	Low / Medium / High	
Improving customer satisfaction/loyalty	Low / Medium / High	
Improving customer collections or terms	Low / Medium / High	
Improving use of property or equipment	Low / Medium / High	
Influencing product development (ideas/processes)	Low / Medium / High	
Influencing success of a project team	Low / Medium / High	
Purchasing equipment or materials	Low / Medium / High	
Improving departmental productivity/processes	Low / Medium / High	
Improving product or service quality	Low / Medium / High	
Influencing the recruitment or retention of employees	Low / Medium / High	

Step 2: Identify possible actions on the job

Choose two of the areas from Step 1 **where you have a medium to high influence** and where you believe that you could **make an impact on the company within the next few months**. List actions you could take and their possible impact.

Personal Influence Area #1	Actions I Could Take	Describe Possible Impact

Personal Influence Area #2	Actions I Could Take	Describe Possible Impact

Step 3: Plan a personal impact project

From your list of actions, decide on ONE you will take **in the next 30 days** to have an impact on the company’s top line, bottom line, strategic objectives or all of these. Fill out this form to get started.

Personal Impact Project
Project description (action I will take):
Targeted impact (be as specific as possible):
Financial information needed: <ul style="list-style-type: none"> ▪ What do you need? ▪ Where will you get this information? By when?
Strategy information needed: <ul style="list-style-type: none"> ▪ What do you need? ▪ Where will you get this information? By when?

Planning Tips:

- Be as specific as possible about your project and the steps you'll need to take.
- Use your knowledge of financial concepts and terms, as well as your understanding of your organization's financial drivers, to target and monitor financial impact.
- Consider everyone who needs to be involved in your project and get their commitment in advance.
- Use resources within the organization to gather financial information or to ensure strategic compatibility of your plan.

Implementation Tips:

- Review this project with your manager for input and agreement to proceed.
- Review this project with a trusted peer for input and encouragement.
- Use a project planning tool to track implementation of your project. Your organization may have one, or check out simple (often free) tracking tools available on Internet sites.
- Be persistent. Projects sometimes get derailed in the press of day-to-day business. Keep moving ahead, and track your progress.
- Set a target date for completion, using your calendar to capture periodic milestones.
- Measure results financially, if possible, and link results to strategic impact.
- Plan how you will communicate your results – to your manager, staff and/or peers.
- Celebrate success along the way and at the completion of your project.