

2006

Competing in a Global Market

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Recommended Citation

Davis, Laura (2006) "Competing in a Global Market," *Linfield Magazine*: Vol. 3: Iss. 1, Article 6.
Available at: http://digitalcommons.linfield.edu/linfield_magazine/vol3/iss1/6

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Competing in a global market

Business is booming for seniors in Sandie Kiehl's Strategic Management class.

Teams of Linfield College business students are finding success running companies in an online computer simulation of an athletic shoe industry. Kiehl, associate professor of business, guides students through the capstone course, which integrates concepts from every Linfield business class.

Students are scored on profitability measures such as earnings per share, credit ratings and stock price, said Kiehl, who has taught the course since 1988, leading four sections each semester including one for the Adult Degree Program.

"They are held accountable in the same way they would be if they were running a company," Kiehl explained. "They get annual results back and it's black and white."

Throughout the semester, students make hundreds of decisions, each with the potential to make or break their company. Should they sell wholesale or retail? Branded or private label? And in what regions of the world? Other decisions follow relating to production, distribution, marketing, compensation, corporate finance and more.

Complex business concepts leap from textbooks as students find themselves dealing with issues relating to exporting, exchange rates and economies of scale.

"Those are huge considerations in international business," Kiehl said. "We talk about exchange rate fluctuations in many classes and somehow it never sinks in until they actually have

to apply the principles."

More than just going up against Linfield classmates, student teams compete against other colleges and universities worldwide. Every semester some 2,500 teams square off, representing 200 schools and 7,500 students.

During the fall semester, Dan Lawrence '06, along with teammates Randy Falk '06 and Casey Schultz '06, earned a Global Top Twenty ranking seven times, while a second team earned the ranking twice.

According to Lawrence, key decisions made early on paid off big for his team. Instead of going after the private label segment, Lawrence and teammates tackled the branded sector, developing a company called e-shoes.com. They marketed a high-priced shoe using endorsements and set their sights on obtaining a high image rating.

"We were able to make a popular product for the consumer," he said. "That separated us from the rest of the class, and from then on we could invest more in our strategy."

Lawrence said it's critical to choose a business strategy and stick with it. He also learned to be aggressive.

"The simulation forced us to take risks to find success in the business world," he said. "You can't just sit back and expect things to happen. We took bigger steps than others at times and it paid off."

One of Kiehl's former students, Ted Reimers '99, recently participated in the simulation again, this time at the graduate level while earning an MBA from California State University Stanislaus. Reimers, assistant vice president with American AgCredit in Turlock, Calif., placed first in his industry worldwide and attributes part of his success in the simulation to his participation at Linfield.

"Linfield gave me a quality business education that has not only helped me in this simulation, but in the real-world business environment," Reimers said. "Know your competition, relate to your customers and understand finance."

— Laura Davis

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Dan Lawrence '06, integrated skills from all his Linfield business classes to run an online computer simulation of an athletic shoe industry during a capstone course taught by Sandie Kiehl, associate professor of business.