

The Art of War-Gaming

War-gaming comes from military strategy, but the model is commonly used among various businesses. Why is it so popular?

“Generals must make a correct assessment of the enemy’s situation, create a victory plan and calculate distances and the degree of difficulty of the terrain.”

— Sun Tzu, Art of War

In today’s world, business is war. In the trenches, companies are defending their frontline (market share) against enemies (competitors).

In warfare, there are no fixed rules and regulations. Strategy has to be thoughtfully planned and be adaptable, and a wise commander should envisage different scenarios before going into action. War-gaming is a suitable way to test possible tactics against competitors.

Business war-gaming simulation represents an efficient and safe way for a company to test the viability and suitability of strategies in the context of a “virtual” changing environment, and to understand the effects these strategies may have on the market and against competitors.

The process generally brings a broad acceptance of an agreed strategy within a company as a result of the involvement of a large part of management. War-gaming enhances the alignment of the employees’ goals to the company’s goals. It increases their engagement and ability to act quickly against competitor moves.

After the war-gaming exercise, managers have a deeper and broader understanding of the market. The method allows companies to identify new threats and/or opportunities, and to set up operational and targeted actions.

Participants step into the shoes of their competitors and see the situation from their point of view, which helps them to better understand competitor strategy.

A briefing booklet is sent to every participant one week before the event. The booklet contains realistic business/market information and profiles the companies that will be involved in the war-gaming.

The duration of the war game is flexible and adaptable to the client’s needs. Recently, Synovate Business Consulting and Healthcare, AP, organised a two-day game for a major pharmaceutical company in Singapore.

Participants were divided into several teams representing the company and competitors. Each team was requested to define a strategy based on the “virtual” market described in the war-gaming booklet.

On the first day, each team analyzed the market information enclosed in the booklet and developed a future strategy against their competitors. Teams had to focus on their company’s goals, assumptions, strategy and capabilities. Each team presented their analysis using a specific template in front of the other teams and was challenged by competitors.

Each team was scored on their presentation and their ability to reply to other teams’ questions. Once all teams had finished presenting and defending their analysis, they regrouped to clarify and adjust their strategies as well as to calculate their marketing contribution.

A fictional but plausible scenario was then announced with some realistic details. Each team then worked separately to define their modified strategy and marketing contribution, responding to the changes reflected in the scenario. To succeed, teams had to consider the likely actions of the other players. Each team presented their strategy according to the scenario and again were challenged by competitors. Teams had to be prepared to defend their strategy and were scored on their presentation as well as their ability to defend their strategy against other teams’ queries.

On the second day, participants went through two additional scenarios, again presenting their strategies in the presence of the other teams to cover both scenarios.

Following the completion of these scenarios, one team was declared the “winning team” by a panel of judges, based on the sustainability, achievability and consistency of their strategy.

Finally, all teams reverted back to being a single company and as a group, worked to refine a strategy that all agreed could be taken forward.

“There are no regular tactics in war, which just like water doesn’t have a fixed form. The ability to use tactics according to changing situations may be said to be the mastery of the art of war.”

— Sun Tzu, Art of War

“When the government and the people share the same objective, the country will surely win.”

— Sun Tzu, Art of War

“By knowing when you can fight and when not to fight, you can achieve victory.”

— Sun Tzu, Art of War



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