## Wicked Global Leadership Block 2

Milton de Sousa

# Fish Banks



- You will play the role of a fishing company
  - Competing against other companies
  - Dealing with variations in fish populations and catch
- Let's go over:
  - The number of teams operating in the ocean
  - Rules for buying, selling and ordering ships
  - Operating costs, fish prices, fishing effectiveness and parameters governing fish reproduction



The winner is the team with the highest Net Worth at game end

## **Annual Profit**



Profit = Turnover – Expenses

(\$/year)

- Fish Sales
- Ship Sales
- Interest Earnings

- Operating Costs
- Ship Purchases
- New Ship Orders
- Interest Charges

### Turnover



 Fish Sales = Catch \* Fish Price (\$/Year) (Fish/Year) \* (\$/Fish)
Fish Price = \$20/fish

- Ship Sales = Ships Sold \* Ship Price (\$/Year) (Ships/Year) \* (\$/Ship)
  Ship Price set by auction
- Interest Minimum \* Interest Rate Earnings = Bank Balance (\$/Year) (\$) \* (%/Year)

Interest earned only if Minimum Balance is positive. Interest Rate = 5%/year

#### **Expenses**



 Operating = Annual cost for ships deployed to: Costs Harbor, Coast, and Deep Sea (\$/Year)

> Harbor: \$50, Coast: \$150, Deep: \$250 per ship per year

 Ship Purchases = Ships Bought \* Ship Price (\$/Year)
(Ships/Year)
\* (\$/Ship)

**Ship Price** set by auction

Interest = Minimum \* Interest
Charges Bank Balance Rate
(\$/Year) (\$) \* (%/Year)

Interest charged whenever Minimum Balance is negative. Interest Rate 10%/year.

## **Expenses (continued)**



- Each year you may order the construction of new ships.
- You pay for these ships this year and take delivery at the start of next year.
- New Ship = Ships Ordered \* New Ship Price Purchases
  - (\$/Year) (Ships/Year) \* (\$/Ship)

**New Ship Price** = \$300/Ship

**Maximum New Ship Order** is half of your current fleet (initial fleet + auction purchases), rounded up to the nearest whole number.

#### **Sequence of Debits and Credits**

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# **Fishing Fleet**



- Initial Fleet = 3 Ships/team
- Fleet Growth
  - Purchase from other teams or via bank auctions
  - Order new ships
- Fleet Reduction
  - Sales to other teams via auctions





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## **Ship Effectiveness**





## Ship Salvage

At the end of the game your ships will be scrapped. Their salvage value, the average value of annual profits earned by all ships in the ocean during the past two years, is included in your total assets. You may not scrap ships before the end of the game.



## **Fishing Areas**

<u>Deep Sea</u>

Maximum Population 2000 - 4000 Fish

Annual Operating Cost \$250 per Ship-Year

Productivity (Max Ship Effectiveness) 25 (Fish/year)/ship



Maximum Population 1000 - 2000 Fish

Annual Operating Cost \$150 per Ship-Year

Productivity (Max Ship Effectiveness) 15 (Fish/year)/Ship



### **Profit Example**

1 SHIP TO DEEP SEA	FISH SALES = 25 X \$20 OPERATING COST	\$500 - \$250	
	DEEP SEA SUBTOTAL		\$250
1 SHIP TO COASTAL	FISH SALES = 15 X \$20 OPERATING COST	\$300 - \$150	
	COASTAL SUBTOTAL		\$150
1 SHIP TO HARBOR			
	HARBOR COST		- \$50
PROFIT			\$350



### **Net Recruitment**

**Regeneration of Fish** 















#### Data entry phase 1: Selling and buying ships





Click on proceed when ready (5 minutes first phase... might reduce afterwards).

#### Data entry phase 2: Deployment of ships and new ship orders NOVA

NOVA SCHOOL OF BUSINESS & ECONOMICS



Click on proceed when ready (5 minutes first phase... might reduce afterwards). At least 8 rounds will be played

#### Let's Go Fishing







# To Log On:

# http://bit.ly/fishbanks

(http://forio.com/simulate/mit/fishbanks/simulation/login.html)



#### Simulation



#### **Fishbanks Simulation**

Login	Password
team1@wgl2025.com	p1
team2@wgl2025.com	p2
team3@wgl2025.com	р3
team4@wgl2025.com	p4
team5@wgl2025.com	р5
team6@wgl2025.com	р6



#### **Fishbanks Simulation**

Login	Password
team1@wgl2025b.com	p1
team2@wgl2025b.com	p2
team3@wgl2025b.com	р3
team4@wgl2025b.com	p4
team5@wgl2025b.com	р5
team6@wgl2025b.com	р6