

UrbanEdge: The First Three Years

A Sustainable Fashion Strategic Leadership Simulation

The Brief

UrbanEdge, a sustainable fashion retailer, identified a critical gap in their onboarding process: new hires arrived with deep functional expertise but lacked a holistic understanding of the business. This led to siloed decision-making that optimized individual departments while potentially harming overall strategy.

The Project Requirements Brief (PRB) specified a need for a 5-hour simulation for 16 participants to immerse them in the core tensions of the industry. The stated success metric was behavioural: new hires must transition from functional specialists to strategic thinkers who instinctively ask, "How does this initiative support our core strategy and what is the expected impact on key business metrics like Gross Margin?".

Specific requirements included:

- **Core Tensions:** Modelling the conflict between sustainability (which costs 30-50% more) and margin pressure.
- **KPI Tracking:** Monitoring Gross Margin, Inventory Turnover, Sustainability Score, and Market Share.
- **Authenticity:** Including elements like seasonal collection pressures, certification costs, and fast-fashion disruption.

The Solution

The resulting simulation places four competing teams of four executives in charge of UrbanEdge for a simulated three-year period. Teams operate with full information transparency, collaborating within teams to manage resources while competing against others for market share.

Core Mechanic: Strategic Resource Allocation

The simulation utilizes a dual-resource economy of Budget Tokens (Capital) and Capacity Tokens (Time/Focus). Teams must allocate these finite resources across a portfolio of 5-7 strategic projects per year. This forces an immediate trade-off: high-impact sustainability projects often consume capital needed for market expansion or digital infrastructure.

Strategic Pillars

In Year 1, teams must commit to a "Strategic Pillar" (Market Growth, Innovation, or Brand Strength). This creates strategic lock-in, ensuring that decisions in Years 2 and 3 must be evaluated against the initial strategic commitment rather than in isolation.

Event-Driven Crisis Management

The simulation introduces dynamism through 1-2 major market events per round, such as supply chain crises or fast-fashion competitor entries. Teams must choose from 3-4 distinct response options, each carrying specific mechanical costs and KPI impacts (e.g., paying a premium to maintain ethical standards vs. cutting costs to save margin).

Assessment

Alignment with Learning Objectives

The simulation demonstrates high fidelity to the goal of fostering "holistic business understanding".

- **Breaking Silos:** By removing role differentiation and forcing the entire team to agree on a unified strategy, the design eliminates the possibility of functional isolation.
- **Data-Driven Decision Making:** The requirement for teams to use financial data to justify strategy selection directly addresses the "observable success behaviour" requested in the brief.

Core Business Mechanics & Trade-offs

The PRB demanded that the "Sustainability vs. Margin" tension be central. The solution operationalizes this through project cards where ethical materials explicitly cost 30-50% more than standard options.

- **Interconnected KPIs:** The mechanism ensures that a decision to boost **Market Share** (e.g., through aggressive expansion) puts downward pressure on **Cash Flow** and potentially **Sustainability Scores** if executed without sufficient budget.
- **Event Consequences:** The crisis response options are not flavor text; they are mechanical levers. For example, a "Supply Chain Crisis" forces a tangible choice between a -10% margin hit (Option A) or a -25% brand equity hit (Option D).

Participant Profile & Dynamics

The design effectively accommodates the target audience of entry-level to mid-level hires.

- **Accessibility:** By restricting math to percentages and simple calculations, the simulation remains accessible to non-finance staff while still teaching financial literacy.
- **Team Size:** The 4x4 structure (16 participants, 4 teams) creates an ideal balance of internal collaboration and external competition.

Session Structure & Pacing

The 5-hour session flow is tightly structured to support the learning arc:

- **Year 1 (75 mins):** Focuses on "Strategic Pillar Selection" and basic KPI comprehension.

- **Year 2 (75 mins):** Increases complexity with portfolio allocation and trade-offs.
- **Year 3 (75 mins):** Culminates in high-pressure crisis management.
- **Debrief (30 mins):** A substantial window is reserved for reflection, ensuring the experience translates to workplace behaviour.

Summary Specifications

| Attribute | Detail |
|---------------------|--|
| Duration | 5 hours (includes 30 min setup and 30 min debrief) |
| Participants | 16 (4 teams of 4) |
| Domain | Sustainable Fashion Retail |
| Core Mechanics | Budget/Capacity Token Economy, Strategic Pillar Selection, Event Cards |
| Key Metrics | Gross Margin, Inventory Turnover, Sustainability Score, Market Share |
| Physical Components | 4 Team Boards, 21 Project Cards, Budget/Capacity/Brand Tokens |

Overall Conclusion

UrbanEdge: The First Three Years is a robust validation of The Sim Smithy framework. It successfully translates the abstract concept of "sustainable fashion strategy" into a tangible, mechanical system where trade-offs are felt rather than just discussed. By enforcing hard constraints on Capital and Capacity, the simulation guarantees that participants cannot optimize for a single metric without consequence, thereby achieving the primary learning objective of developing cross-functional strategic thinkers.