Simulating Business

New computer simulations can help you hire, train or manage more effectively- at remarkably low cost BY KYLE MARNOCH

WHEN KEITH CHURCH put out the word earlier this year that he was looking to add two agents to his fast-growing real estate firm, 249 resumes landed on his desk. He wanted to hire the best, but knew traditional interviews don't always reveal the strongest candidates. So he decided to follow each candidate into the field to see how they would react under real sales pressure.

theirs. Instead, Church employed Web-based simulation software that allowed every applicant to go on virtual cold calls, complete with real-life video, audio and customer reactions based on thousands of hours of research and development. Of the original raft of candidates, 55 took the test. Church hired two of the highest scorers, both of whom turned out to be excellent sellers.

It sounds like a tough slog, but Church, owner of Cambridge Ont.-based Prudential Grand Valley Realty, never had to leave his desk- and the applicants never needed to leave

Blind luck? It's doubtful: a combination of computer power and recent artificial intelligence breakthroughs have produced an early wave of highly realistic computer simulations that are helping companies hire more accurately and train staff at lower costs. As long as your company owns a late-model PC, you can purchase simulations for specific applications, from selling to negotiation, for no more than a few hundred dollars.

Here's what Church's job hopefuls experienced while seated at their PCs. The video begins with a rap on the door revealing a sceptical homeowner. "Yes?" he asks, slightly perturbed.

The simulation pauses, giving the candidate four choices with which to start the pitch, including, "A client told me you might be thinking of selling your house, maybe I can help you. If you have a moment, I'd like you to see how our company has helped other homeowners in this neighbourhood sell their homes."

At first the client appears ready to close the door. But then his face changes slightly. "Well," he says after a brief moment, "my company is moving me, but I'm

not even sure I want to sell the house." From there, the candidate engages in a to-and-fro with the virtual client. The responses given by the salesperson determines the flow of events, until the client agrees to be represented by the agent or gives him the brush-off.

What comes next separates the short list from the circular file. The computer compares the candidate's responses to the behavior of top sellers, and places the test subject on a bell curve of sorts. Except, unlike the curve, it offers far more than a score. According to Igor Kotlyar, CEO of Upward Motion, the Toronto-based developer of the real estate simulator, "the computer compares the dozens of 'soft' skills needed for sales success -listening, negotiating, the ability to read situational cues - and instantly points out the strengths and weaknesses of a candidate. It's as much a training tool as an assessment device."

Church agrees: "We use it to recruit new agents, and also to test the skills of my existing staff. The simulation shows us where there are weaknesses, and then we can work on correcting them."

Simulation training tools aren't exactly new. There are literally hundreds of off-the-shelf simulators out there, from packages designed to help pilots improve flight skills to software meant to sharpen your computer programming abilities. What is new is that there are now a dozen or so companies, such as Upward Motion, offering soft-skills assessment and instruction.

"The field is set to grow rapidly," explains Kotlyar, whose firm also offers a corporate-sales. "It used to be there were only boutique shops like ours in the market, but as the Internet, audio and video streaming, and sophisticated software all come together to create a richer simulation experience, large companies that used to focus on traditional assessments approaches are moving into this space".

New York-based Kaplan Inc. is one of the testing and training giants moving into the field. Its Selection Advantage software assesses job applicants for call-centre positions. The candidate sits at a computer running a CD-ROM with the simulator software, and listens to 25 calls that mimic the type of problems that come up in a call-centre environment. The participant uses the simulator to help the caller solve their problems, enters responses onscreen and can hear how the situation plays out based on their decisions.

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According to Jamie Mclntosh, general manager at Kaplan, the software isn't designed to measure whether or not the applicant has the skills to work in a call centre, but whether he or she can be trained successfully. The simulator uses the questions and responses to measure key competencies, such as problem-solving, investigative skills, influence (maintaining control of the call), speed and multi-tasking. "More than any interview or pencil-and-paper" test ever could," says Mclntosh, "the simulator reveals a candidate's aptitude for the stresses of a call centre." At the end of the day, Mclntosh suggests, the Simulation approach allows companies to hire employees who are not going to be good at the job and stay at the position longer, thus reducing turnover and training costs.

There are even simulators designed for CEOs. Toronto-based ExperiencePoint offers ExperienceCharge, a simulator that gives executives a $500,000 budget and two years to navigate their company through a major vision and strategy change. Hire, fire, organize teams, woo board members, rally executives and win over labor. "When you're done," says ExperiencePoint principle Greg Warman, "you see how all your decisions made over the course of the virtual two-year period affects the company: what decisions good, which ones should later date, or earlier, or not at all." What CEO wouldn't - want to look back and learn from a two-year gamble, secure in the knowledge that all bets were virtual?

While Keith Church may not have bet the company with his simulation use, he thinks the Upward Motion package tips the odds in his favor. Church is looking for yet two more agents to help fuel his growth. "I'm running ads in the local papers over the next few weeks, inviting all comers to take the test on my website," he says. "I know I'll find what I'm looking for." **P**