



THE BUSINESS BIG PICTURE GAME

Rules and Concepts

11/22/2017

OFMOS.com | @OFMOSthegame

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1. OVERVIEW

OFMOS is a strategy game that simulates the act of running a corporation over an extended period of time. Pitting against each other two players, the game is abstract in nature, suitable for adults and teenagers alike, with or without business experience. As fellow Chief Executive Officers or CEOs, the players are commissioned with starting and growing their respective companies, restructuring them, and then closing them by orderly exiting business entirely. Their overarching goal is to return the highest amount of cash at the end of the game. And, as a measure of the overall performance, the most cash will indicate the best CEO.

The game is based on a theoretical perspective that views a company as a dynamic portfolio of profit-making entities called ofmos, which are virtual business worlds defined by an offering (product, service, or both) and a set of customers with the same acquisition and usage behavior relative to that particular offering. Accordingly, viewed from a higher level, the job of the CEO becomes primarily one of managing ofmos. It is a model that provides the game with a simple set of mechanics that, as its raw interpretation, put to test the players' probabilistic thinking and their complexity mindset. At the other end of the spectrum, this theoretical foundation makes the game a tool that can be used to deepen the understanding of how businesses work, how business is done, and how that knowledge is being disseminated.

2. GOAL

The overarching challenge in this game is for the players to make the most of their identical set of resources, in an environment that gradually shifts from being probabilistic to one that is fully deterministic, where the desired actions happen with a hundred percent certainty. They both start with an identical collection portfolio of idle ofmos that defines their respective companies, and which represent the initial set of capabilities or potential businesses. In addition, they also receive the same amount of money, in cash, to cover the necessary investments for transforming the idle ofmos into active businesses.

Throughout the game, the two players strive to maximize their accumulated cash, which is driven by the profits that result from the operation of each individual ofmos, plus the bonuses that are awarded when certain ofmos formations are achieved. At the same time, they might also be trying to prevent each other from doing so. It is a duality that stems from the fact that each player's ultimate goal is to end the game with the most cash on the table.

Players could concede early, or they might run out of cash, which could be necessary for the immediately following action. In these cases, the player who concedes or runs out of cash loses. However, when the game is played until one of the players exits business with all ofmos entirely, or the common pool of money runs dry, the one with the most cash at that moment wins, regardless of which player has made the last move.

A Powerful Tool in Business Education, Executive Training, and Beyond

The overall game mechanics are rooted in a theory that explains, at a high level, how companies behave over extended periods of time. It is an abstract model that views companies as dynamic collections of virtual business worlds, called ofmos. Visible to the mind's eyes only, yet persistent, these entities encapsulate the organization's activity, each generating a stream of profit (or loss).

Using human behavior as a foundational block and then building explanations for how organizations and societies evolve, the theory is fundamental in nature. It transcends time, geographies, and circumstances, providing a set of basic dynamics that can describe any company. Furthermore, this underlying theory unifies the top-down, intended approach to running a company with the bottom-up, emerging approach – a significant problem facing business executives every day, as the environment tends to constantly change.

Bringing key contributions to the field of management as a background, OFMOS has the potential to significantly impact the process of business management education, formal and informal. The game could be used as instructional scaffolding or as a knowledge-unifying umbrella, or both, becoming a valuable tool in business classes for high school and college students, in workshops for executive and corporate training, or even at home by parents sharing their experience with their children.

Instructional Scaffolding. For those who are new to the discipline of business management, the game could serve as a mechanism for turning the process of learning upside down. Instead of the traditional approach of starting out with narrow concepts that keep accumulating without a clear, comprehensive big picture, the learners start with the abstract model embodied in the game and use it as a skeleton or scaffolding, on which all subsequent business knowledge can be meaningfully placed. Furthermore, the game can be easily used to help structure a learning path that makes the education process even more cohesive.

Knowledge-Unifying Umbrella. For those who already have experience in the business world, or even formal business training or education, OFMOS can be used to structure and meaningfully bring together all of their knowledge. The game can serve as a knowledge unifier by providing a framework for the business big picture. And for those who are still active and deeply involved in the process of business management, it can even help them develop and refine their approach to various management tools, such as scenario planning and strategic narratives.

Toward a Better Society. By gaining a deeper understanding of how businesses work, all those involved (i.e., founders, investors, employees, customers, government) can translate this knowledge into a better understanding of how economies work. The notion of creative destruction, according to which healthy economies are characterized by a smooth ongoing replacement of old industries with new ones, becomes easier to grasp and more tangible, when seen from the new perspective. That, in turn, can lead to better decisions that shape a healthier society, sustainable in the long run.

3. ELEMENTS

a. Ofmos, Ofmos Map, and Profit

i. Concept of Ofmos

ofmos: *noun, same form for singular and plural; short for offering-market cosmos*

An ofmos is a virtual business world defined by an offering and one or more customers with the same acquisition and usage behavior relative to that particular offering. Covering all types of offerings and customers, it can be seen as a building block in business management by enabling a perspective where any company can be viewed as a collection of ofmos. And unlike the decades-old concepts of business segment and strategic business unit, which tend to focus solely on a company's offerings and the operations around them, ofmos are, by definition, tightly integrated with a market segment.

In a broader sense, an ofmos is the whole created by a business unit and a market segment, where the market segment is characterized by a specific customer behavior associated with the product that defines the said business unit. So a single business unit could translate into multiple ofmos, one for each distinct market segment in which the defining offering is being sold. For a

single company, then, there would be at least one ofmos defined by each of its offerings, regardless of their type.

According to this underlying rationale, the first key feature of the game are the ofmos pieces, which, as collections or sets, represent each respective company ran by each player, as a CEO. The game simplifies the reality by reducing the entire spectrum of offerings to only three categories, symbolically defined as bikes, cars, and planes. Even more abstractly, the same categories are also indicated through the use of basic geometric shapes: triangle (three joints), square (four joints), and pentagon (five joints).

The categorization is based on the complexity of the offering as well as that of the entire business operations behind it. More specifically, in this context, the offering complexity could be more precisely described as *marginal complexity*, which represents the entirety of resources, processes, and general effort required to produce and sell one additional unit of that particular offering. It is an important dimension that reflects the business potential of an offering, based solely on the company's internal operations.

Also, it is a broader and more realistic measurement than just one that would be based on the offering structure alone. Nevertheless, since the complexity of most offerings does reflect the marginal complexity of the operations behind them, the game uses a looser distinction between the two, almost exclusively focusing on the offering complexity. It is a choice that gives players more flexibility and freedom of interpretation, which is a key characteristic of the game experience.

Prominently expressed in the design of the ofmos pieces, the three categories of offerings are complemented by three symbolic representations of the size of the associated customer base: three customers for the bike offerings, two customers for the car offerings, and one customer for the plane offerings. Together, the three sets of symbols, are meant to illustrate the progression in complexity of the offerings and the operations behind them, as well as the potential reach among the customers that comes with each level of complexity.

It is a simplification of the two continuums of *business complexity* and *size of customer base*, respectively. Additionally, the sets of symbols are also intended to illustrate the inverse proportionality between the two progressions. The more complex the offerings and the business operations are, the smaller the customer base inside that ofmos is. Most importantly, however, the ofmos pieces are meant to illustrate the fact that an offering's inherent nature does have an impact in its business potential.

The easier it is to make and sell an offering, the higher the chance that more customers will buy it. In turn, companies will tend to make and sell more of the simpler offerings to more customers. This approximation of the real world is also illustrated in the game, where each company is defined by 9 bike ofmos, 6 car ofmos, and 3 plane ofmos. Again, it is a simplistic reflection of how these symbolic types of ofmos tend to be distributed not only inside companies, but also generally in a particular economy.

Finally, as in the real world, ofmos can exist in three different states in the game. They can be (1) idle, encapsulating capabilities that have not been materialized yet. Although inactive, they are considered to be in the game. Then ofmos can be (2) operational, which means that the business worlds that they represent are active, generating streams of profit or loss. Such ofmos are also considered to be in the game. Finally, ofmos can be (3) dead or out of the game, which means that the company has exited those businesses, on its own or pushed out by the competition.

ii. The Ofmos Map

The second key feature of the game stems from the fact that an ofmos is linked not only to the company's internal environment, but to the marketplace as well. This fundamental characteristic of an ofmos suggests that its business potential is driven not only by the inherent nature of the offering and the supporting operations, but also by the utility or perceived value that customers derive from that offering. And so, every ofmos can be characterized by two dimensions or coordinates: one that gives its complexity level, and another one that gives its value level.

Accordingly, every active ofmos can be represented on a map defined by the offering's complexity continuum and the offering's value continuum. The resulting two-dimensional space creates then a common frame of reference on which all ofmos can be positioned and plotted, as their current position evolves over time. While ofmos can be placed or positioned inside this space, which is an expression of a company's intent (top-down approach), their evolving position is mostly plotted or tracked, which is an expression of a company's emergent state of affairs (bottom-up approach).

Called the *Ofmos Map*, this space is translated into the game board, as a simplified embodiment. Each continuum is replaced by an axis with 9 divisions (think scale of 1 to 9), resulting in a map with 9x9 positions, on which the ofmos can be placed. Further, the positions along each axis are also grouped in sets of three, creating complexity categories (bike, car, and plane; or triangle, square, and pentagon) and value categories (one notch, two notches, and three notches).

For convenience, and reflecting the overall dynamics of the ofmos pieces throughout the game, the two edges of the board that indicate the 'value' dimension (one notch, two notches, and three notches) can also be referred to as the sides. Similarly, the edge that indicates the 'complexity' dimension (bike, car, and plane) and connects to the 'three notches' end of the 'value' axes can be referred to as the top of the board. Accordingly, the opposite edge can be referred to as the bottom of the board.

Each of the nine areas, defined by the complexity and value categories, is marked by a number, which represents the profit associated with each of the nine positions inside it (\$1 to \$9). The three positions constituting the top row inside an area are also considered entry or landing positions, where idle ofmos can be activated or introduced on the board. And the bottom row or positions across the entire board is the exit row, from where the players can exit the game with their pieces. A view at this level offers the the players, as CEOs, an even more simplified map of 3x3 (9) areas to manage their respective portfolios of ofmos.

iii. Profit

With the game generally taking 60 to 90 minutes to play, it is important to note that the corporate activity being simulated would span several decades in real life. The game's focus is on the big picture and, in line with the theoretical model used as foundation, most of the key features of a successful business are likely to be embedded into the game mechanics. The simple fact that the two companies, as simulations of the real world, last very long periods of time suggests that they are healthy companies, being customer oriented and adept of various best practices.

Nevertheless, the longer the time frame, the more visible the money side of business becomes. While generations of offerings come and go, to stay in business, companies must continuously generate revenues that exceed the expenditures or costs of doing business. Essential in keeping an organization operational or running over long periods of time, the difference between revenue and cost is simply described as profit (sometimes also referred to as return).

Profits in the game are expressed exclusively in cash (the most ready-to-use form of money), even though in real life the financial side of business tends to be more complex. And it is the same for all other monetary transactions: investments, bonuses, and fees. The currency chips are available in denominations of \$1, \$10, and \$100. They are simplified expressions of \$1 million, \$10 million, and \$100 million, which more accurately represent the amounts of money that long-lasting companies tend to deal with.

A Brief Note on the Notion of Experience

In business, as in most areas of life, people tend to accumulate more knowledge about a certain situation the longer they are exposed to it. Whether it is handling a repetitive task or just striving to understand a set of circumstances, people tend to get better with time. And generally, when referring to such instances, it is said that those individuals gain experience or learn, even though the latter process could be seen as carrying a broader meaning, which includes the accumulation of wisdom developed previously by other people.

The two rather-overlapping processes are fueled by the same inherent human drive of making the most of a given situation. As with all living things, humans strive to conserve energy, to be efficient. That, in turn, translates into a natural tendency of finding and relying on shortcuts, whatever the circumstances. And, in management, those shortcuts are often materialized as theories, which are basically explanations derived from other people's experiences, observations, and insights.

Because they tend to significantly reduce an individual's effort of acquiring deeper insights, theories play a significant role in the process of learning or that of gaining experience in various aspects of the business world. Furthermore, by their very nature, theories are valuable in that they increase the probability of making better predictions about the future. In a nutshell, they tend to drastically improve the process of decision making, which is one of the essential tasks that every business executive or manager has to perform.

Similarly, as a simplified embodiment of a theoretical model that shows companies as dynamic collections of virtual worlds called ofmos, the game is aimed at helping players acquire new insights in the area of management, faster, regardless of their level of business experience. But through its rules, the game goes further by mimicking how the learning or experience of a real-world CEO evolves, thus giving the players a more realistic perspective on the new insights.

Although the game is structured in three stages (Expansion, Restructuring, and Conclusion), they are part of the same whole, which is a simplified model for a

company's life cycle. While some slight changes to the rules occur in each stage, the best players are the ones who play with the long game in mind, just like in real life. On the other hand, the game also simulates the professional growth or maturing of the CEO and the company, as a unit. Through a mechanism that combines two dice and the board, the players' professional experience, as virtual CEOs, grows over time.

Throughout the game, the probability of materializing the players' intent grows from 1/9 (11.1%) in the first stage, to 1/3 (33.3%) in the second stage, and finally to 1/1 (100%) in the last stage. In other words, the odds of accomplishing a desired action increases over time. And while this is in line with the probabilistic nature of the real world, the fact that the gameplay evolves from being probabilistic to being purely deterministic brings about one last nuance to the meaning of experience in this context. Even with luck as a factor, the game is conducive to the development of skills and expertise in the gameplay itself.

b. Elements (Normal Mode)

Red Company	18x Ofmos: 9x Bike (Triangle), 6x Car (Square), 3x Plane (Pentagon) 1x Box: Tray (also 'capabilities' tray) and Cover (also 'out-of-game ofmos' tray)
Blue Company	18x Ofmos: 9x Bike (Triangle), 6x Car (Square), 3x Plane (Pentagon) 1x Box: Tray (also 'capabilities' tray) and Cover (also 'out-of-game ofmos' tray)
Money	90x Chips: 40x \$1, 40x \$10, 10x \$100 1x Box: Tray (money chips tray) and Cover (also dice-rolling tray)
Ofmos Map	1x Board (Face 1) with 9x9 Positions, 3x3 Areas, Complexity categories: Bike, Car, Plane
Dice	2x Dice: 1x 'Offering's Perceived Value' Die, 1x 'Offering's Complexity - Product' Die

c. Other Elements (Scenario Mode)

Ofmos Map	1x Board (Face 2) with 9x9 Positions, 3x3 Areas, Complexity categories: Triangle, Square, Pentagon
Scenario Layers	3x Scenario Layers: 1x 'Car Manufacturers' Scenario Layer, 1x 'Economy versus Economy' Scenario Layer, 1x 'My Case' Scenario Layer (Customizable)
Dice	1x Die: 1x 'Offering's Complexity - Abstract' Die

4. SETUP

The board game OFMOS can be played in two general modes: Normal and Scenario. In the Normal Mode, the players experience the classic, more abstract version of the game. In the Scenario Mode, the game is played by the same rules, with the addition of a Scenario Layer that is placed on top of the board. As the name suggests, the Scenario Layers bring additional context to the game, ranging from visual placements of the gameplay in particular industries, all the way to pre-determined start scenarios and “hot” zones on the map with additional bonuses or penalties.

a. Setup for Normal Mode

To set up the game for the Normal Mode, the board should be placed with Face 1 up on a stable surface, with the value axes (the “notches”) toward the players. If the players are not positioned diametrically opposed across the board, but slightly shifted to one side of it, it is recommended that the ‘one notch’ end of both axes (or what could be referred to as the bottom of the board) should point in the direction of the two players.

Each player is then given \$165 (15 chips of \$10, and 15 chips of \$1), as the initial fund. The rest of \$1,110 (10 chips of \$100, 10 chips of \$10, and 10 chips of \$1) should remain easily accessible, as it represents the entire capital floating in the marketplace. Whether collecting profits and bonuses, or making payments as investments and fees, the players will be using this pool of money exclusively, with no direct exchanges between the two of them. Borrowing, of any kind, is not allowed. Also, a player cannot hoard chips of smaller denominations to intentionally prevent the other player’s completion of a cash transactions.

The essential elements needed to play the game in the Normal Mode are the two sets of ofmos pieces, the board (Face 1), the two dice, and the money chips. Nevertheless, in order to improve the play experience and to reduce the game’s physical footprint, players can also use the boxes in which the ofmos pieces and the money chips are stored. The bottom tray of the box for the ofmos pieces could be used as the tray for the idle pieces, while the top cover could be used as the receptacle for the dead or out-of-the-game ofmos. Furthermore, the top cover of the money chips box could be used as a dice-rolling tray.

After the initial funds have been allocated, the players could amicably decide on the color of their respective companies and on who goes first. Or, alternatively, they can roll the two dice, which will indicate one of the nine areas on the board, each with an associated profit number. Given that the two numbers resulting from the rolls are different from each other (otherwise, the players will roll again), the player with the highest number will pick a company color and will go first, using that same winning roll to determine where the first action will be taken.

At this point, the players enter the game’s EXPANSION stage, which is followed by the RESTRUCTURING stage and, in the end, the CONCLUSION stage. As an alternative way of starting the Expansion stage, they could also choose the JUMPSTART option, which allows them to distribute their respective sets of ofmos

more uniformly across the Ofmos Map. With the additional benefit of shortening the duration of the first part of the game, the alternative start is particularly useful to those who are new to the game. It is also mandatory, when the game is played in the Scenario Mode.

Lastly, the ofmos pieces have been deliberately designed to simultaneously feature two sets of icons, so they can work for both the Normal Mode and the Scenario Mode. Consequently, because they feature the icons triangle, square, and pentagon, respectively, which are also the icons used on the board’s Face 2, players can choose to play the Normal Mode on that face as well. Played without a scenario layer, which is required for the Scenario Mode, and with the die ‘offering’s complexity - abstract’ instead of the die ‘offering’s complexity - product’, this is the most abstract version of gameplay, enabling players to focus on the raw mechanics and the pure strategy required, without any reference to the business world and management theory.

b. Setup for Scenario Mode

The setup for the Scenario Mode is almost identical to the setup for the Normal Mode. Instead of Face 1 of the board, the players will use Face 2, which uses the abstract symbols of triangle, square, and pentagon for the offering’s complexity categories. The die that features those same symbols (‘Complexity - Abstract’ Die) will replace the die that feature the specific products bike, car, and plane (‘Complexity - Product’ Die). Accordingly, the ofmos pieces will be identified by the shape of their top, and not by the images of the products featured on them.

This biggest change, however, lays in the use of the scenario layer, which provides a visual mechanism that adds additional context to the gameplay. The types of context range from simple illustrations that place the sets of ofmos in very specific industries or industry segments to predetermined starting formations as well as “hot” zones that trigger additional bonuses or penalties. Made of a transparent sheet of plastic, the scenario layer is mounted on top of the Face 2 of the board, providing an additional layer of visual information to the Ofmos Map. Additionally, each scenario layer might come with a brief real-world business case that further deepens that particular context.

Finally, the Scenario Mode is always played with the Jumpstart option. Adding an additional layer of context this mode of playing is particularly valuable when it is used in a formal or informal education setting.

5. ACTIONS

Throughout the game, the two players take turns and complete one action per turn. While ofmos can be idle (in the game, as capabilities that have not been materialized yet), active (in the game, operational), or out of the game, the two CEOs will perform a balancing act between the management of their respective portfolio and the handling of the direct competition that could emerge between ofmos from the two companies. And for that, they have three core actions at their disposal, plus the opportunity to take new chances.

In the first two stages, constrained only by the availability of pieces and positions, they can choose to (a) introduce an ofmos, (b) move an ofmos, and (c) exit business with an ofmos. When the roll of dice does not allow for the completion of a core action or the options offered are not attractive enough, the players can also choose to (d) take earned new chances (ENCs). In the last stage of the game, the choices available are narrowed down to moving an ofmos or exiting business with an ofmos.

a. Introduction of an Ofmos

i. Introduction in open entry position

To convert an idle ofmos into an operational ofmos, which is a metaphor for materializing a capability into an operating business, the players roll dice to determine an area on the map, where the ofmos can be placed. Once an area is chosen, an ofmos from the corresponding 'complexity' category (bike, car, plane) can be added in any open position in the top row inside that area. It is an action that requires a payment (think investment) equivalent to the profit associated with the entry position (the same number that is associated with the entire area). Throughout the game, ofmos can be introduced only in their respective category.

ii. Introduction with push of competing ofmos

When introducing a new ofmos, players can also choose to push a competing ofmos that occupies an entry position (any of the top three positions in an area), if the position below it is empty. Since only one ofmos per position is allowed, the ofmos from the opposing team is being pushed downward, while the newly added ofmos takes its place. However, the players cannot push their own ofmos or a competitor's ofmos that is blocked by any other ofmos currently in the position below it. And as it is always required, the introduction of a new ofmos must come with the mandatory investment.

During the game, most ofmos from the two companies are not in direct competition with each other, except for the situations like the one described above. In those cases, the two ofmos are defined by the same offering and have customer bases from the same total market. So when the new ofmos is introduced, the perceived value of the offering within the incumbent ofmos drops,

and that ofmos is pushed into the next lower-value position on the map.

b. Operation of an Ofmos

All active ofmos, which have been placed on the board, represent operational business worlds. As the customers inside an ofmos buy the defining offering, the ofmos generates revenue and profit. Also, as the offering becomes more prevalent among the customers, its perceived value or utility drops. And that means that the value associated with ofmos drops, which would translate to a change in position on the board.

In the game, the two players can deliberately change the position of their ofmos during their respective turns only. These actions are called moves, and there are three possible moves: downward moves, lateral moves, and upward moves. Also, as a general rule, when acting upon an ofmos, the generated profit or loss is the profit number associated with the originating position, not the destination.

i. Downward Move

Moving an ofmos downward is an expression of a phenomenon called commoditization, which is a natural consequence of operating the business in that particular business world. As the knowledge about the defining offering spreads within the marketplace, its utility shrinks towards its core functionality. Therefore, the downward move is the most common move, which is done one position at a time, and is accompanied by the generation of profit from operating the business.

In the game, ofmos from the two companies inevitably land in each others' commoditization path. While the introduction of a new ofmos can only push a competing ofmos that occupies an entry position, a downward move can actually overtake or take out a competing ofmos. And since the ofmos being moved has already been on the map, the move generates the operating profit as well. In real life, this situation occurs when a company lowers the offering's price to increase the market penetration, thus squeezing out the competing offerings of a lower perceived value.

ii. Lateral Move

The lateral move of an ofmos is an expressions of the company's innovation efforts. In order to fight against the diminishing returns that come with the offering's commoditization, or simply to try to avoid direct competition, the company can choose to alter that particular offering. An increase in complexity translates into a one-position move to the right, while a simpler offering means a one-position move to the left. In both cases, these efforts are called innovation and they come with a cost.

However, since the cost of innovation is cancelled out by the profit resulting from operating the business, the lateral moves come with no profit or fee to be paid out. Also, as a rule, it is not possible to 'push' or overtake an ofmos from the opposing company with a lateral move.

The Two Fundamental Forces in Business

One of the most useful ways of analyzing and understanding business is to start by thinking of it as a system that exists in a state of *punctuated equilibrium*. That means that, from a broad perspective, the business environment goes through periods of relative stability, punctuated by major changes. It is during the quieter times, without any major socio-political changes or disruptions caused by natural disasters, that the dynamics at play inside the system become more apparent and easier to articulate.

The relatively stable periods of time show that the basic dynamics that shape the business world arise solely from the interaction between vendors and customers. Specifically, there are two forces at play. Fueled by the same fundamental human drive of making the most of a given situation, and acting on the virtual unit called the *need-offering pair*, *Commoditization* is the force generated by the customers in their effort of capturing as much value as possible, while *Innovation* is the force generated by the vendors in their attempt of maximizing their returns.

It is a view that broadens the two concepts by introducing the distinction between the associated pressure that is exerted on the offering-need pair and the effect of that pressure. Based on the same theoretical foundation as the game, this perspective shows innovation and commoditization as forces, in addition to them being processes or phenomena, as they are

typically discussed. Furthermore, the effect of the two opposing forces is now apparent, providing a dynamic view of the offering-need pair's evolution relative to a set of customers.

Commoditization. Although commoditization is widely understood as the process of transformation of a premium offering into a commodity or generic, undifferentiated product, this conventional definition does not go much deeper than that. However, the set of theories used to develop this explanation show that commoditization is fueled by the humans' fundamental drive of making the most out of the given circumstances and occurs as a result of the accumulation of product knowledge within a community defined by its members's similar behaviors relative to that product.

Specifically, with each use of the offering inside the community, the associated need is being pushed lower along the continuum of need-addressing behaviors, as individuals increase their capacity of extracting value from that transaction and, at the same time, adjust the higher levels of their respective structures of needs by inserting new individually-relevant specifications. In the process, the need is being stripped of complementary meanings, eventually arriving at something that is rather an exact match of the product's core functionality.

As a result, consistent with the notion that learning or accumulation of specific knowledge within a system at equilibrium is incremental, the effect of Commoditization will always be

unidirectional and will overpower the effect of Innovation over time. In other words, the offering-need pairs will always commoditize due to the accumulation of associated knowledge within the marketplace. Metaphorically speaking, commoditization is like gravity for the business and economic world.

Innovation. Innovation has been studied for quite some time now. Based on their innovativeness or degree of "newness," innovations could comprehensively be classified as radical, really new, discontinuous, incremental, and imitative. These categories are all covered by the set of theories, although they become more valuable at deeper levels of analysis, especially when it comes to matters related to a company's internal synergies. Nonetheless, it is important to note that the process of innovation that takes place inside a tofmos is consistent with the notion of incremental innovation. And all the other categories are associated with the process of creating tofmos.

But the new framework expands the concept. By thinking of innovation as the vendor's underlying effort of maximizing its benefits from the given circumstances, it becomes clear that a more holistic view should come from the customer value perspective. In this case, innovation can also occur when the environmental conditions change. Just like water that is generally free becomes priceless during a natural disaster, so an existing product could become a new, more valuable one without any actual changes to it.

iii. Upward Move

The upward move relates to the rather rare situations when the entire business environment is significantly transformed by events like natural disasters, wars, or socio-political changes. Characterized by the increased scarcity of a particular offering, or the emergence of unexpected customer needs relative to that offering, those external transformations lead to an increase in the offering's perceived value within the same market, without any actual changes to the offering. In the game, this translates into an upward move, possible only in the last stage.

To make the move, players have to pay a fee of \$9 plus the equivalent of the profit associated with the originating position. And similar to the lateral move, it is not possible to 'push' nor overtake an ofmos from the opposing company.

c. Exit with an Ofmos

As ofmos commoditize toward a lower value, they eventually reach the last row of positions at the bottom of the map. Following their introduction, which comes with an associated investment, ofmos evolve and generate gradually diminishing profits, following a pattern that resembles what is typically referred to as product life cycle. And so, it is only from the bottom row of positions that players can choose to deliberately exit business with an ofmos.

These moves generally represent the company's retreat from a business space, in which the offering has reached irrelevance or obsolescence. Equivalent to a move downward off of the board, the exit brings in the profit associated with the last position on the board, plus a 'life cycle completion' bonus of \$3.

Nevertheless, there is an exception to the above rule. A special case of deliberate exit takes place in the game's second stage. As part of their respective companies' restructuring, the players have to exchange some of the ofmos with a lower potential for higher-potential ofmos. And that means divesting or getting out of a still lucrative business.

d. Earned New Chance (ENC)

Often times, in business, CEOs and their companies initiate the preparation for a major business action, such as the launch of a new product. Occasionally, however, the internal circumstances or the external environment changes, making the planned move less attractive and thus leading to the abandonment of the initiative, after some investments have already been made. In the game, such a situation is simulated by what is called an *earned new chance (ENC)*.

Available only in the first two stages of the game, the choice of taking a new chance allows the players to roll the dice again, if the options presented by the previous roll do not allow for a complete core action or are simply unattractive. As the attribute 'earned' suggests, there is a cost associated with this choice, and it pertains to the previous roll of dice. However, the way this cost or fee is calculated depends on the stage of the game, as well as whether the players opt for this choice forced by the circumstances or not. And, regardless of the stage, there can be no more than three consecutive, combined (forced and unforced) ENCs per turn. The required fee will be paid for each roll of dice, including the third attempt.

i. Forced ENC

In the first two stages of the game, there are instances where players might not have the pieces to introduce or move inside the space indicated by the dice. In these situations, the players are basically forced to roll again or take new chances. In the Expansion stage, the cost of a forced ENC is equal to the number associated with the selected area. In the Restructuring stage, that cost is calculated as the lowest number of the three associated with the areas inside the category selected by the roll of die.

ii. Unforced ENC

In some cases, players can intentionally choose to take a new chance, even though they might have the pieces necessary to introduce or move inside the selected space. Rather than proceeding with a less-desirable outcome, resulting from introducing an ofmos, moving an ofmos, or exiting business with an ofmos, a player can intentionally choose to roll the dice again by paying a flat fee of \$9. It is an option available only in the first two stages of the game.

6. ALIGNMENTS

One of the basic tenets in business is the notion of economies of scale, which describes the fact that the more of the same offering you make or sell, the higher the efficiencies in operations and thus the higher the resulting profit. It is a principle that is even more relevant when dealing with multiple offerings and multiple markets, because corporations strive to reach a state that could be described as "the whole is greater than the sum of its parts."

Consequently, one of the most important skills in running a corporation is creating synergies, or sharing resources with the goal of generating increased efficiencies. And in the game, that is expressed through alignments, which are formations of three or more horizontally adjacent (neighboring) ofmos, within or across offering categories.

Alignments are a good approximation of synergy because the horizontally adjacent positioning of the ofmos in an alignment implies that their defining offerings have similar levels of complexities, structurally as well as in terms of supporting operations. While that alone does not mean that the offerings are related, the fact that they are also perceived as similar in value to the customers makes it highly probable that those ofmos do share offering components or processes, or both.

And to get to these states, players have two options: new alignments and additions to existing alignments.

a. New Alignment

A new alignment is achieved when one ofmos is moved to create a formation of three or more adjacent ofmos. And that can be done not only by moving (downward, lateral, or upward) existing pieces on the board, but also by introducing a new ofmos. As a key tool in the CEO's arsenal, a new alignment is rewarded with a bonus which is the sum of the profits associated with the positions of all the ofmos in alignment, in addition to the profit generated by the move (or minus the cost of investment, if a new ofmos is being introduced.)

b. Addition to an Existing Alignment

The addition of ofmos to an existing alignment is also important and, therefore, rewarded. As with the new alignment, the additions can be achieved by moving an existing ofmos downward, lateral, or upward, or by introducing a new ofmos. The three or more adjacent ofmos that are in alignment prior to the player's turn are considered an existing alignment.

Only the ofmos that are being added will count for the bonus, which is calculated by adding the profit associated with the final positions of the newly added ofmos. The profit from the move or the cost of the ofmos introduction will also be added. If two existing alignments are merged, the one with a lower potential bonus will be considered the exiting alignments and bonus will be rewarded for all the other ofmos.

The Most Important Alignment in Business

The idea of *alignment* is common in business, with meanings and scopes that range widely. A top executive might be preoccupied with the alignment between the company's long-term goals and the objectives of the sales department. At the same time, the same executive might be dealing with matters of alignment between a colleague's personal goals and the team's priorities. However, when it comes to organizations that become and remain successful over long periods of time, the alignment between the company's intent and its emergent way of doing business on a day-to-day basis stands out as the most important type of alignment.

Building upon the idea that a company's approach to business is a mix of deliberate and emergent actions, the same theoretical foundation that was used to develop the game OFMOS advances the notions of **Focus** and **Center**, respectively. They are the two components of an alignment that must be maintained

in order for a company to achieve long-term success.

The first concept is based on the idea of *intent*, which is prevalent in the management literature and practice. In this case, however, the definition is more specific. A company's Focus refers to the deliberate or implicitly deliberate act of setting and running a company with an approach that fits with a relatively-narrow range of customer *need-addressing behaviors*. Driven by a certain vision or simply by the imperative of successfully taking to market a set of core offerings, companies tend to concentrate their limited resources toward developing organizational structures, go-to-market approaches, and cultures that best serve their core customers.

On the other hand, constrained by their limited resources, companies tend to develop portfolios of offerings and markets, or ofmos, that are characterized by higher degrees of synergy. As a result, a company's ofmos tend to become concentrated in relationship to each other. And relative to the customer need-

addressing behavior spectrum, they tend to form a cluster, as the company strives to maximize its revenue and profit. This cluster of ofmos is called the company's Center, and is consistent with the notion of *resource congruence*. (As a side note, the alignments of ofmos featured in the game are simplified local formations that occur in a similar manner that a company's Center would emerge.)

Nevertheless, while a company's Focus is naturally resistant to change, the Center has a tendency of moving toward customer need-addressing behaviors that maximize the customer benefits, while reducing the perceived value of the company's offerings. In other words, over time, the commoditizing Center tends go out of alignment with the fixed Focus.

And this is the greatest challenge that companies have to deal with in the long run. Success and, at the very least, survival requires an **Alignment** between a company's Focus and its Center, which can be done either by introducing and removing ofmos to adjust its Center, or by changing its Focus.

7. GAMEPLAY

As mentioned earlier, OFMOS mimics the activity of a company over several decades. Just like real-life CEOs, the players take their respective companies from inception to completely exiting business, adding and divesting several offerings in various markets in the process. The game consists of three specific stages: Expansion, Restructuring, and Conclusion. And each stage has specific objectives, which are described below. These instructions refer only to the Normal Mode of playing.

Stage 1: EXPANSION

i. Objective

In the first part of the game, the main objective is to convert all idle ofmos into active, operational ones. Both players have to fully deploy the capabilities of their respective companies, which simply means placing all the pieces from the 'capabilities' tray on the board. Nevertheless, it is important to do so while strategizing for the entire game, keeping in mind the objectives and specifics of the next two stages.

ii. Specifics

This is the stage when the company is expanding by launching new offerings and entering new markets. Naturally, it is a stage where a CEO's intent materializes with a lower probability. As a reflection of that reality, the moves in the Expansion Stage will be determined by the roll of two dice, which means that a player's chance of selecting a particular area for making a move is 1 in 9 (or 11.1%).

The Expansion Stage ends when both players place their ofmos on the board, meaning the stage ends with the move in which the last ofmos from both companies is moved out of the 'capabilities' tray. That also means that the first player to place all ofmos on the board will continue to roll two dice until the other player activates the entire portfolio as well.

iii. The JUMPSTART (Optional)

The first stage of the game is characterized by a higher dependence on luck or chance, so the players can reduce some of that uncertainty by choosing the Jumpstart option, which is an alternative way of beginning the stage that does not involve dice rolling, as is required throughout the rest of the Expansion stage. The players each make a one-time aggregated payment of \$45 (= \$1 + \$2 + ... + \$9), then place one ofmos at a time, one in each of the nine areas. They place one piece per turn, in any of the available positions at the top of each area, without the option of pushing downward competing ofmos.

This approach to starting the Expansion stage offers the players a more balanced distribution of their respective portfolios of ofmos on the board, while also slightly reducing the duration of the Expansion Stage. After the introduction of the nine ofmos, the players continue the Expansion stage by rolling the dice at each turn.

Stage 2: RESTRUCTURING

i. Objective

The main objective in the second part of the game is to restructure the companies by divesting businesses with a lower potential, while adding new ones that promise better returns. And this is done through two mandatory adjustments of the portfolio of ofmos: (1) divest three active 'bike' ofmos, while acquiring the capabilities for two 'car' ofmos, and (2) divest two active 'car' ofmos, while acquiring the capabilities for one 'plane' ofmos. In reality, for companies that strive to achieve enduring success, this is an ongoing, never-ending process.

ii. Specifics

The Restructuring Stage starts after the last ofmos from both of the 'capabilities' trays are placed on the board, which marks the end of the first stage. At this point in the game, as in real life, the two players and their respective companies have been in business for some time, gaining valuable experience. So their actions are determined by the roll of a single die, with the freedom of choosing one of the two dice, at each turn.

The choice of a single die, whether the one that selects a 'complexity' category or the one pointing to 'value' category, increases the chances of selecting a desired area to take an action to 1 in 3 (or 33.3%). And, unlike the Expansion Stage, the Restructuring Stage ends for each player, individually. In other words, once a player's conversions are made and the last out-of-game ofmos that became a capability is introduced on the board, that player alone advances into the last stage of the game, where new objectives and specifics come into play.

iii. Ofmos Portfolio Adjustments

From a purely mechanical point of view, the adjustments of the portfolio of ofmos required in the game's second stage can be seen as conversions: taking some active pieces out, while bringing some other pieces back into the game. It is a simple perspective that can be used by the players, with one small clarification. To avoid confusions, as it relates to the understanding of how companies evolve over time, it is important to keep in mind that the ofmos pieces that are being brought back into the game do not represent the same ofmos that they did when they were taken out. In other words, an ofmos that was taken out because its defining offering became obsolete could be brought back into the game, but as a representation of a different offering in the same category.

According to this view, then, the two mandatory conversions (three active 'bikes' for two out-of-game 'cars', and two active 'cars' for one out-of-game 'plane') are free and can be made in any order. However, making a conversion requires that (1) all of the active ofmos that need to be taken out of the game for that conversion must be positioned within the space indicated by the die, and (2) all of the out-of-game ofmos that need to be brought back into the 'capabilities' tray must be out already. It is an exchange that takes place in one turn, and is the only action available to the player.

The ofmos that are brought back from out of the game and into the 'capabilities' tray can be introduced on the board at a later turn, not necessarily the one immediately following the conversion. As in the earlier parts of the game, the idle ofmos can be introduced (1) only in the space indicated by the dice, (2) in the corresponding category, and (3) with the required investment associated with the area of entry. Nevertheless, since the players roll only one of the two dice at this stage, they can choose any of the three areas of entry covered by the category indicated by the die (either offering category or value category) for their action.

Stage 3: CONCLUSION

i. Objective

In the last stage of the game, the players operate their remaining active ofmos, advancing toward exiting business completely, and thus concluding their mission. But, just like real-life executives strategically divest some of their businesses, so do the players must keep in mind the big picture. Guided by the overarching goal of accumulating the highest amount of cash at the end of the game, they must carefully balance (1) the efforts of maximizing the possible returns from their existing portfolio, which can be done through all the available moves, alignments, and exits, and (2) the efforts of minimizing the opponent's potential.

ii. Specifics

The Conclusion Stage starts, for each player individually, after the last idle ofmos that resulted from the mandatory conversions of the second stage is placed on the board. From this point on, the players do not roll dice anymore. The intent is now materialized with 100% probability, reflecting a real-world business environment, where the CEO and the company have been around for some time.

The players can now use lateral moves to cross the offering categories, which won't carry any associated cost or bonus, like any lateral move. In addition, they can make upward moves, which require the payment of a fee equal to the profit associated with the originating position plus \$3. In addition, the intentional no-actions are not permitted anymore. So, players have to take an action every time it is their turn.

iii. End of the Game

Throughout the game, players might concede at any time, either voluntarily or because they ran out of cash and cannot execute any subsequent action. They can also stop the game early and mutually agree to decide the winner based on the cash accumulated to that point. However, the game typically ends when one of the players exits business with all ofmos. Particularly, it ends with the move that takes out the last ofmos from the board. The other player's active ofmos remaining on the board cannot be converted into cash, and do not account toward the player's final score. At this point, the two players count their accumulated cash, and the winner will be the one with the most money on the table.

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