



“Insight Experience’s familiarity with Caterpillar and their dealerships provided a very credible insight into our industry that resonated with all the groups. As part of our branch & regional succession planning, I will be recommending the course for my developing leaders in sales, product support and administration.”

– Jeff McKnight,
Toromont, Toronto, Canada



“Everyone I’ve run into had great things to say about the DMS program and felt like it was very rewarding and time well spent. I look forward to having you down again with another group of our folks.”

– Sam Tucker,
Dealer Principal,
Mustang CAT, Houston

The **Caterpillar Dealer Management Simulation Program (DMS)** is a three-day learning experience for Caterpillar dealer managers and Caterpillar employees that helps them **improve dealer performance** and **increase shareholder value**. Led by experienced facilitators, the DMS program focuses on teaching financial concepts, executing dealer strategies and plans, and honing the leadership skills needed to engage and motivate employees. The program features a dynamic and customized business simulation used to practice and reinforce the concepts and skills presented.

Program Impact

By participating in the DMS program, attendees identify opportunities to improve dealership performance by:

- Improving profitability
- Better managing and utilizing dealership assets
- Increasing cash flow
- Using key financial metrics to monitor and manage results
- Recommending and justifying investments
- Increasing their leadership impact to better engage employees to drive business results
- Increasing shareholder value

The Learning Experience

Understand Financial Concepts to Better Manage Performance

As part of the program, important financial reports and metrics are introduced to participants. They learn about the Income Statement, Balance Sheet and Cash Flow statement – and why they are important in monitoring the financial health of dealerships. They also learn about key performance indicators like ROA, DSO, and ITO; the impact of debt (leverage); investment evaluation measures like NPV and IRR; and shareholder value creation metrics such as ROCE or ORONA. In order to reinforce participants’ understanding of the financial concepts presented, current Caterpillar and Dealer financials are presented and analyzed throughout the program.

Sharpen Critical Leadership Skills

The DMS Program demonstrates the need for both effective business skills and leadership skills to improve business performance. “Financial and business acumen are table stakes in managing the complexity of a Caterpillar dealership,” says Bruno Krul, a DMS facilitator, “but business acumen alone isn’t enough. Throughout the program, we not only stress that understanding finance is important in measuring and managing dealer performance, but also that financial results are the outcome of great leadership.”

Identify Improvement Actions

Throughout the program, participants identify specific actions that can improve the performance of their dealerships. Examples include improving forecasting accuracy, reducing days sales outstanding, increasing inventory turnover, improving asset utilization, increasing profitability margins, improving cash flow, and developing employees and improving their communication to stakeholders.

Expert Facilitation

The Insight Experience facilitation team brings actual business experience, deep subject matter expertise, and expert teaching skills to the DMS program. Our facilitators each have several years of experience facilitating simulation-based learning experiences. Insight facilitators have taught to dealer audiences in North America and South America; Europe, the Middle East and Africa; Asia, Australia and New Zealand.

"Thank you, thank you and thank you. To date, my best finance oriented training. It was totally relevant and practical. Eye opening experience that exceeded my expectations."

– Ronnie Koh Kam Loong,
Sime Darby, Malaysia

"I must say DMS was one of the most enjoyable and rewarding training programs I have been involved with in over twenty years ..."

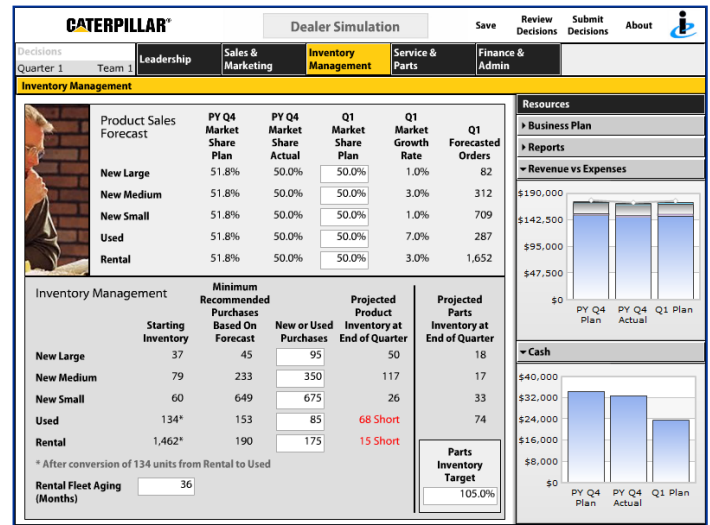
– Paul Morris,
Product Support Manager
Mining, Cappower, Australia



Simulation that Engages

The DMS Program features a sophisticated computer business simulation. In the simulation experience, participants step into the role of a General Manager of a fictitious business that reflects the challenges and opportunities at their dealerships. Simulation teams must market and distribute products, provide product support to customers, manage cash flow, manage for profitability and make choices about what to communicate to employees and how to spend their time as General Manager of the business.

During several rounds of decision making, participants are asked to apply business management skills, strategic thinking, market and competitive analysis, and financial acumen to make effective operating decisions.



Program Agenda

Day 1	Day 2	Day 3
<p>Program Overview and Learning Objectives Participant Introductions and Expectations</p> <p>Introduction to the DMS Simulation Simulation – Strategy Planning</p> <p>Simulation – Quarter 1 Decision Making</p>	<p>Simulation – Quarter 2 Decision Making Profitability Exercise</p> <p>Understanding the Balance Sheet Focus on Assets: Current and Fixed</p> <p>Simulation – Quarter 2 Learning Discussion Focus on Prime Product and Service Business</p>	<p>Understanding the Balance Sheet Focus on Liabilities and Equity; Understanding Leverage Return on Equity</p> <p>Weighted Average Cost of Capital</p> <p>Simulation – Quarter 3 Learning Discussion Focus on Rental and Used Business</p>
Lunch	Lunch	Lunch
<p>Understanding the Profit and Loss Statement Revenue, COGs, Gross Margin, Operating Profit and Profit after Tax</p> <p>Simulation – Quarter 1 Learning Discussion Price Discounts and Cost Reductions, Employee Performance, and the Business Cycle of Leadership</p>	<p>Simulation – Quarter 3 Decision Making Prime Product Bid</p> <p>Focus on Asset Utilization Asset Turns, Managing Receivables, Inventory Turnover and Return on Assets Goodwill</p>	<p>Simulation – Quarter 4 Decision Making</p> <p>Understanding Working Capital and the Cash Cycle</p> <p>Understanding Cash Flow Operating Cash Flow</p> <p>Application Commitments Applying Learnings to Work</p> <p>Final Simulation Results</p>

To learn more about the **Dealer Management Simulation Program**, contact DMS@insight-experience.com

www.insight-experience.com/DMS

Program History and Results

The Caterpillar DMS Program has been delivered over 150 times to over 3,000 Caterpillar dealer managers and Caterpillar employees worldwide. Attendees have consistently praised it as one of Caterpillar's best corporate education experiences.