

The Career Simulator

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ABSTRACT

*Which are the key Career Planning decisions? I created the Career Simulator to teach last year students the **basic systemic structure of career success** at ITBA – (Instituto Tecnológico de Buenos Aires), which offers 5-year academic programs in engineering.*

The Career Simulator model is based on more than 11 years coaching the careers of our graduates and in the study of the careers of successful professionals in Argentina and USA.

The model predicts 4 key “hard” career planning decisions. Surprisingly, a great percentage of high talented and qualified engineering professionals ignore them leading some of them to poor career results.

The advantages of taking into account this 4 key “hard decisions” when planning your career are very important: more career resources and career options, higher income potential, increased negotiation power. They complement your “soft” career decisions with logical and established criteria for taking your “hard” decisions to enhance your career.

Keywords: career planning, simulator, “hard” key decisions, systemic structure, career success

Which are the key Career Planning decisions?

At the end 2004 I decided to create a “Career Simulator” to teach the basic systemic structure of career success to the 5th year students of the University I work for. My university has 5 year academic programs in systems, electronic, industrial, mechanical, chemical and petroleum engineering.

Since 2001 I have studied the careers of successful professionals in Argentina, such as:

- Horst Paulmann, creator of Cencosud,
- Fulvio Pagani, creator of ARCOR,
- Carlos Ávila, creator of Torneos y Competencias;
- Santiago Bilinkis, creator of Officenet.
- Eduardo Bachkellian, creator of Gatic,
- Gabriel Dreyfus, creator of Dreyfus Comunicaciones,

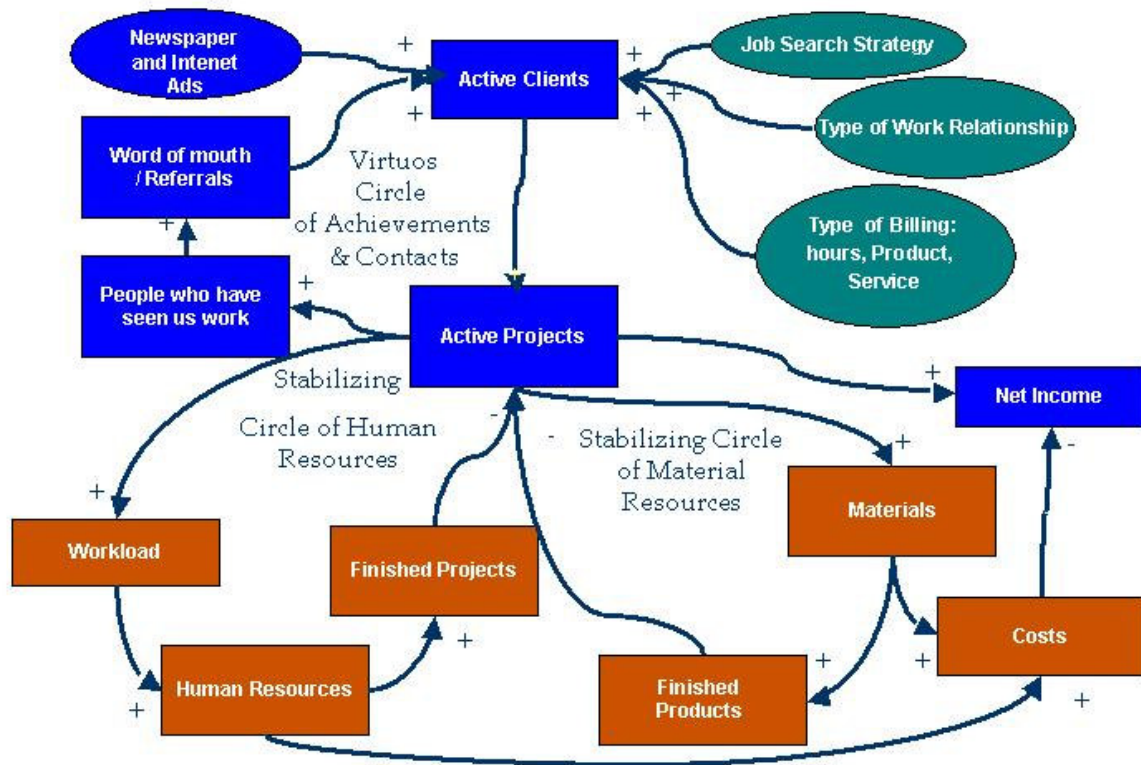
and in USA, such as

- Jack Welch, CEO of General Electric,
- Thomas Watson, creator of IBM,
- Andrew Grove, President of Intel;
- Bill Gates, creator of Microsoft,
- Walt Disney,
- Mary Kay Ash,
- Ted Turner and
- Henry Ford.

Which is the common systemic structure behind their personal achievements?

The answer is simple:

Causal Loops Diagram



Virtuous circle of achievements and personal contacts:

These people excelled at their work achieving the trust and confidence of their clients, employers and/or partners’.

A “word of mouth” effect spread the fame of their achievements to other people.

This “word to mouth” gave them new career opportunities that translated into projects in or out the organization in which they worked.

They also had access to opportunities published in the media, though the word of mouth that spread through the social network generated the main source of career opportunities and income.

Stabilizing circle of human resources and materials:

The trust and confidence gained with employers, clients and/or partners allowed them to obtain so many labor opportunities that they exceeded their own possibilities and personal

availability, and in order **to take advantage of these career opportunities, they hired people to do part of the work and / or acquire the necessary materials.**

The materials and the people they hired, produced costs.

How do you design your career ? - “Hard” Decisions and “Soft” Decisions

I have described the main systemic structure present in these successful professionals' careers.

The next question is: *which are the most important “hard” decisions you must take when plan your career?*

Sometimes I think that the answer to this question is obvious, but my experience since 1995 advising more than 1000 professionals of ITBA and other well-known universities tells me that **it is necessary to explain it in detail.**

When I refer to “hard decisions”, I mean that they are decisions directly related to the figures or numbers that appear in a salary receipt or commercial invoice for some service or a product that you can sell. They can be seen and touched. Also I mean the hours worked every day, that is, our “workload” as well as the quantity of professional achievements or accumulated experience, measured for example in the quantity of projects that you have completed.

By “soft decisions” I mean the ones related to the things that you like or love about your career, personal values, abilities, talents, competences, visions and achievements you have planned for in your future career.

1) The first “hard” decision – To specialize in a certain field.

- The first decision is the choice of the **industry** and the **role that the professional wants to achieve therein.** This is technically known as “career”. Each career has certain important **“hard” numbers** associated to them, for example: typical income/compensation levels, consultancy fees, market value of the products and / or services you can sell, etc.
- The underlying reason of this specialization is the focus and / or **concentration of our creative energy** in a field which motivates you to **shine and so to distinguish yourself** in your career.
- For example, to become very enthusiastic about building, improving and /or maintaining big electric energy utility, to compose and perform rock music, to build your career as a politician, becoming a Hollywood star, etc.

- All the men and women mentioned as models at the beginning of the article, chose a field to be developed for which they became very enthusiastic.
- Our careers can change through time, they may have different phases with different career goals.

2) The second “hard” decision – Your Job Search Strategy

- The second key decision taken conscious or unconsciously by our survey models was how to get new career opportunities and / or clients. This decision is equivalent to choose how to navigate the social net.
- Richard Nelson Bolles describes in his well-known book “What color is your parachute?” the success rate when using different job search strategies:

Job Search Strategy	Success Ratio
Becoming famous	More than 86 %
Creative Method	86 %
Job Club	84 %
Using the Yellow Pages	67 %
Knocking the door of the employer / company in which you want to work.	47 %
Networking, friends, relatives, career services of your university	33 %
Search firms	5 – 25 %
Newspaper Ads	5 – 25 %
Mailings résumés	7 %
Using the Internet	4 %

- As the chart shows clearly, **the most effective strategy** to obtain new career and job opportunities is **to become famous**.
- *¿How many professionals graduated at ITBA have thought in working to become known or famous?*

3) The third “hard” decision – Choosing the type of Labor Relationship

The selection of the type of labor relationship is crucial and decisive to achieve long term growth. In the simulator model we suppose that the professional performs his

work perfectly well. **The equation is very simple: the client's trust and confidence brings prosperity. Fear and distrust in relationships cause poverty.**

3.1 Fixed Salary/Compensation Relationships:

Some types of labor relationships, for example, the fixed remunerations ones cut the tie between your achievements and your monetary compensation. To progress -and most professionals measure their progress mainly according to the money they make- it is necessary to have more "responsibility", which most of the time implies to be a "boss" or "manager" and have employees under charge and in this way to obtain a higher income.

The problems arising from this labor growth scheme are multiple:

- a) First of all, some professionals are not interested in leading other people.
- b) Second, there is much competition between workers in the same enterprises for a diminishing number of positions with higher income levels.
- c) Third, the so called "market salaries" establish a maximum income limit for typical positions.

The advantage to have some type of fixed remuneration or income is that this helps to add stability to your income and to survive to economic cycles when compared to an income 100% tied to results.

3.2 Variable Compensation Relationships:

Variable remuneration relationships are the ones with the most potential for growth, and they encourage you directly based on your achievements. They foster your creativity and produce a feedback loop from which you learn to take advantage of all the opportunities to create value for your "clients", employers and/or partners.

There are different types of schemes related to the variable compensation, commissions and "bonus". However, we must remember that these schemes also subject to "market standards" and so limited by them.

The disadvantage of this type of schemes is that sometimes the income can diminish in the ups and downs of economic cycles.

The main advantage is the growth potential. Many people with no academic degree have used this kind of labor relationship. For example, Walt Disney and Mary Kay in USA, and Horst Paulmann in Argentina and Chile.

Having your own enterprise –essentially any professional is a unipersonal entrepreneur – requires compromise.

3.3 Quantity of Clients:

Another essential aspect in the relationships is the quantity of direct “clients” that you have as a professional. For clients we mean that person who pays money directly to you for your work. Generally a big number of clients gives the professional a higher career stability and security, and more power and leverage to negotiate future income and job conditions.

Dependence from a single boss or client during the beginning of the career may be something usual and advantageous, since it can facilitate you as a young professional to learn the secrets and critical success factors of a certain industry.

However, after about ten years it is necessary to have several real and potential income sources. This brings you income stability and safety to raise kids and family. Through networking you can achieve several income sources. **Personal influence, selling and networking** are abilities that must be learned by all professionals from the start of their careers.

3.4 Types of labor relationships:

I have created 6 categories of career relationships, according to type of the professional’s economic feedback and the effective quantity of clients.

1. Isolated
2. Under an fixed income employment agreement
3. Professional with multiple income sources
4. Small and Medium Enterprise Owner
5. Owner of big enterprise
6. Owner of Multinational Enterprise.

4) The forth “hard” decision – The nature of our value proposal

It is surprising the quantity of professionals who believe that the only way that they can generate income is by occupying a part or all of their hours in a “full time” or a “part time” job. This is only one of the available options available for you as a professional. Selling your time has the advantage that in the short term it **is the alternative with the highest return rate**. You just work and at months end you collect your salary. You don’t need to invest your capital. However, there exists an obvious problem with this scheme, which many professionals do not take into account: they can only work around 200 hours monthly. The day has only 24 hours!!!!

There are two options, which are generally unlimited regarding to the long-term growth opportunity: selling services and/or products. If you are a professional, you may think about writing and selling your own books, software, information and/or data services, workshops, conferences, etc.

The development of these income sources alternatives **requires hard work, competence and creativity**. These are things looked for by companies and society in general; they are abilities and competences that the professional must develop from the beginning of their career.

Conclusions:

This model has allowed me to help ITBA's graduates and students, and also myself. The advantages when planning your career are very important:

- a) **They give you more resources and career options**
- b) **They allow you to achieve a higher income compared to the ones earned by most professionals**
- c) **They give you tools to increase power to negotiate your future income and career options.**
- d) **They complement your "soft" career decisions. They give you simple, logical and established criteria for taking your "hard" decisions to enhance your career**

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THE MODEL'S CHARACTERISTICS:

The complete Powersim 2001 working model has 143 variables and the following sub models:

- Main parameters
- Test cases:
 1. Isolated
 2. Typical professional career path without networking
 3. Multiple Streams of income
 4. Physician
 5. Artist – painter
 6. Rock star
 7. Film star
 8. Politician
 9. Typical professional career path with networking
 10. Owner – small metallurgical company
 11. Owner – small consulting company
 12. Owner – bus service company
 13. Owner – metallurgical company
 14. Owner – small law firm
- Workload sub model
- Relationships and networking sub model
- Income sub model
- Resources for services sold sub model
- Resources for products sold sub model
- Hours billed sub model
- Hours worked by own employees sub model.
- Graphic output sub model

The model's construction took more than 6 months and is based on 11 years of career planning coaching experience