

## APPLY

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### SIMULATION: On-Computer Experience

Begin by letting students know that today they will go through Episode 7 on the computer. Give them a chance to ask any questions pertaining to the work they did to prepare for today's computer session.



#### WORKBOOK

Have students turn to p. 75, Apply, of their *Managing Director's Workbook* (Episode Guide p. 307). Let them know that they should complete this page as they are working on the computer activity in which they analyze data to determine trends and patterns. Students will be learning how to use numeric data to identify trends.



#### COMPUTER

Have students gather in their teams and get on the computer to complete Episode 7.

### On-the-Job Activities

Here are the experiences your students will have on the computer as they work on Episode 7:

- interview Dolores Gold and Penny O'Neil for help in determining the best fee to charge New Vision Cable
- meet with Riverview Cable to hear their perspective on how the two companies can work together
- analyze data to determine trends and patterns\*
- recommend a fee to charge New Vision Cable\*

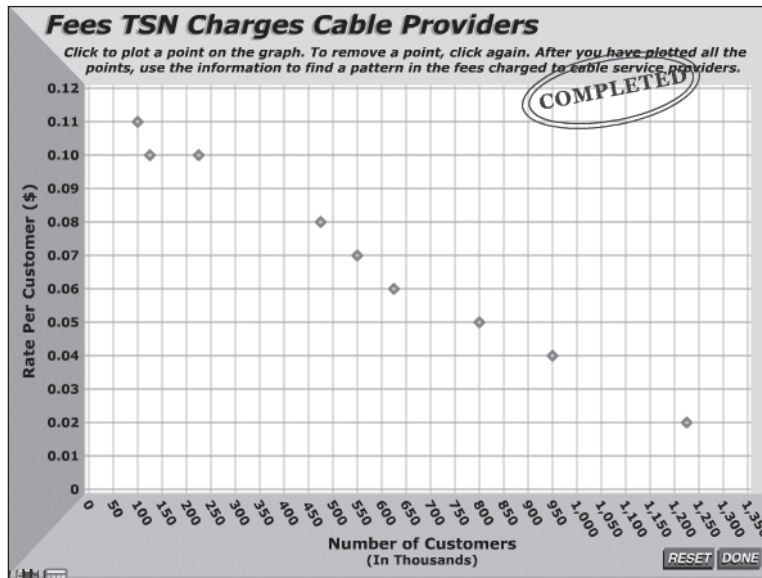
\*For more specific information on the main activities, read the following descriptions.

**Analyze Data to Determine Trends and Patterns** One of the major activities students will be doing is analyzing data to determine trends and patterns that can help them decide on the fee to charge New Vision Cable. To help them as they analyze data, give them copies of the Episode 7 Handout: "Contracts with Cable Service Providers" (Episode Guide p. 327). Have them retain the handout for additional use in the optional Curriculum Integration activity: "Further Analysis."

The Managing Director receives a summary of the financial agreements between TSN and nine of its cable service providers. After reviewing this data, the Managing Director generates points on a scatter plot that relate the rate per customer to the number of customers a cable service provider has. Once the data is displayed in a scatter plot, students are able to analyze the data and ascertain the trend or pattern that TSN's contracts follow. They should see that the rates TSN charges its cable service providers are dependent on the number of customers that the provider has. (Cable providers with more customers are charged a lower rate per customer.) This information should inform their recommendation about what to charge New Vision Cable.

**Note:** There *is* a correct way to plot points on the scatter plot. Students must complete the scatter plot **correctly** before moving on. You may want to suggest that students call Penny O'Neil for help before doing this activity.

The following math skills are reinforced in this activity: creating, reading, and interpreting a scatter plot; ascertaining trends in numeric data. Students can access the *Math Handbook* in the program's Resources in the bottom left corner of their computer screens at any time while working on the activity. (The *Math Handbook* is reproduced in the Resources section of this Episode Guide.)



### Scatter Plot to Analyze Data

**Recommend a Fee** Another activity students will be doing on the computer is recommending a fee to charge New Vision Cable. Each department head offers an opinion about one or more factors the Managing Director should consider in arriving at a recommendation. Factors include the growing customer base of New Vision, TSN's competition with 24-7 Sports for a place on New Vision's dial, and the need for and various uses of the revenues that cable service providers generate for TSN. By checking the number of customers that New Vision Cable has and keeping in mind that TSN charges its cable service providers based on the number of its customers, students should discover that either one of two per-customer rates would be appropriate. To make their final recommendation, students must weigh the viewpoints of various department heads on whether to go for the higher or lower rate and take into consideration that there is competition for the sports spot on New Vision's dial. The recommendation comes by way of a form in which they project TSN's monthly, annual, and five-year revenues from a contract with New Vision.

The recommendation elicits feedback from Susan, Dolores, and Penny. For example:

- If the recommended per-customer rate is \$.05 or lower, students get cautionary feedback about the lack of revenue the contract will bring in to TSN.
- If the recommended per-customer rate is \$.06, students get lukewarm but generally positive feedback from Susan and a comment from Dolores suggesting that New Vision had better reach its projected goals for increasing its customer base.
- If the recommended per-customer rate is \$.07, students get high praise from Penny, a comment from Susan about having room to negotiate since the number is on the high side, and a positive comment from Dolores about having plenty of funds for training, joint projects, and cross-channel promotions as well a concern that the high rate doesn't put them out of the running.
- If the recommended per-customer rate is \$.08 or higher, students get cautionary feedback about the possibility of losing the contract to the competing sports network.

**Note:** The following math skills are reinforced in this activity: using addition, subtraction, multiplication, and division for basic calculations; ascertaining trends in numeric data. Students can access the *Math Handbook* in the program's Resources (reproduced in this Episode Guide).

**Contract Recommendation**  
**TSN Cable Service Providers**

<b>Cable Service Provider:</b>	<b>New Vision Cable</b>
<b>No. of Customers:</b>	<b>Current 570,000</b>
<b>Rate per Customer:</b>	.07
<b>Monthly Fee:</b>	39,900
<b>Annual Fee:</b>	478,800
<b>Contract Fee (5 years):</b>	2,394,000

**Explain how your recommendation fits in the pattern of other TSN contracts:**  
It's the rate that other companies are charged who have a comparable number of customers.

**Explain why you think New Vision is likely to accept your recommendation:**  
It's a bit on the high side, but it's fair.

**DONE**

**Sample Contract Recommendation for New Vision Cable**