A Parable for
The Economics of
Modeling and Simulation

“...the next marginal
dollar...”

11 July 1999

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...the Market

market - buyers and sellers interacting to exchange particular products and services
...the Seller
...the Seller

What

To whom should I sell?
To whom should I sell?

What should I sell?
What should I sell?

What price?
What price?

What cost?
What cost?

Seller to Buys from
Buyers

Sellers

buy-sell transaction

Economic Market

Definition of Economic Market

depends upon and influences

Modeling and Simulation

Economics

Cost of M&S

Price of M&S

Economic context of M&S

The Economics of Modeling and Simulation

Economic implications of M&S

Value of M&S
...the Buyer

What do I need?

How much am I willing to pay for it?

Where/how do I do my shopping?

What are my criteria for selection decision?

• Am I willing to pay more for quality / convenience / security?

• What are the basic determinations of make-or-buy?
The Buyer

Definition of Economic Market

Goods and services

Buyer

Buys from

Seller to

Buyer

Sellers

Buy-sell transaction

Economics

Cost of M&S

Price of M&S

Value of M&S

Modeling and Simulation

Economic context of M&S

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...the Market

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