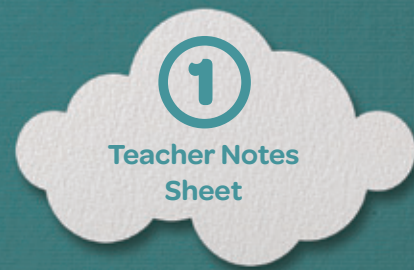




Business studies:

The business environment
and business ethics



Teacher Notes



ABOUT THIS ACTIVITY

This challenge helps Business Studies students aged 14–16 think about how to identify the right commercial opportunity for a new business, and consider how a business can contribute to its local community, for mutual benefit.

Students are presented with a description of a town facing a typical mix of contemporary economic challenges. They must analyse the Business Report and Town Map and come up with a suitable idea for a new small business they believe would be a success in this location. (Teachers can also use their own location to add local relevance.)

As part of their business plan, students should identify and describe how their start-up business could be a good member of the local community and how this will in turn help the new business to grow and succeed.

Students should organise and present their ideas in a business plan extract, which they can then present verbally.



TIME REQUIRED

A double lesson (90 minutes minimum).



CURRICULUM LINKS

GCSE Business Studies topics:

- The business plan
- Corporate Social Responsibility (CSR)
- Marketing strategies
- The business environment
- Stakeholders
- Business ethics.

National 4 Business:

- Business in Action – outcomes 1, 2 and 3
- Influences on Business – outcomes 1 and 3.

National 5 in Business Management:

- Management of marketing and operations – outcome 1
- Understanding Business – outcomes 1 and 2.



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RESOURCES NEEDED

From McDonald's website

From the Business Studies Challenge resources:

- Intro video
- Case study video
- Student activity pack (includes **sheets 1-4** and McDonald's case studies)
- Vox Pops videos

From your school

You may also want to provide:

- A business plan template if you have a preferred layout.

- You may wish to source some examples of local or national CSR to stimulate students' thinking.
- Prepare copies of your preferred business plan template, if you have one.



KEY WORDS

- Business ethics
- Community involvement
- Corporate Social Responsibility (CSR)
- Social Enterprise
- The business environment
- Business plan
- Marketing strategy
- Stakeholders
- Entrepreneur
- Social Entrepreneur
- Business opportunity
- Customers
- Market



PREPARATION

- Review the videos, case studies and student activity sheets.
- If you would like students to develop their business and community involvement ideas around your home town, you may wish to create similar information, including an overview of your town, local mapping (use a free online mapping source), and ideas for local 'good causes' that students' businesses could support.



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Deliver as a double lesson



STARTER

Review the role and content of a business plan

(Specification link: The business plan)

- Review the role and main elements of a business plan: give students a few minutes to work in small groups to come up with a definition and short list of key content. Share ideas.
- Ask students who a business plan is written for. How might different readers of the plan analyse the content in order to evaluate the plan's quality?
- Explain that students are going to look at the marketing aspect of a business plan, and must also come up with the business concept their plan will support.
- You may wish to briefly review the four P's of the marketing mix here: product, price, placement and promotion.
- Ask students to discuss the marketing strategy element of the business plan in their groups, identifying its purpose and key elements. What should a marketing strategy aim to achieve, and what should it contain? Share ideas.

Introduce the concept of community involvement and Corporate Social Responsibility (CSR)

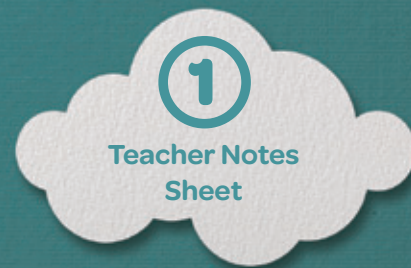
(Specification link: Corporate Social Responsibility)

- Introduce the concept of community involvement and Corporate Social Responsibility (CSR).
- Review students' understanding of these concepts.
- Ask students to share some examples of national and local CSR (you may wish to simulate the discussion with some examples of your own).
- Ask students to suggest some reasons for each company's CSR programme. What types of CSR take place and how might students classify them? Can students suggest how a CSR programme might be evaluated?



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MAIN ACTIVITIES

Watch the Intro and Vox Pops videos to explore McDonald's examples

(Specification link: Corporate Social Responsibility)

- Watch the **Intro Video**, which introduces the topic and the challenge for students.
- Briefly review the challenge again using **Student Activity Sheet 3**.
- Discuss the benefits community involvement might bring to McDonald's as a company, Crew Members (employees) and members of the community who benefit. Students could split into three groups to discuss and report back to the class.
- Now watch the **Vox Pops** videos, which brings together interviews with real Crew Members and the public, and discuss how their ideas compare to students' suggestions.

Unpack the local 'business environment'

(Specification link: The business environment)

- Remind students that their first task is to identify a suitable business opportunity: the commercial enterprise their business plan would support.

- Ask students to suggest what information might help a local entrepreneur to identify the right opportunity. Introduce the concept of the business environment, discuss what elements this might include (e.g. premises available, labour, local supply and demand for goods and services, etc.) and use this as a way to organise students' ideas.

Generate and capture business ideas

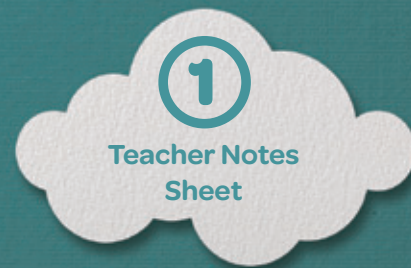
(Specification link: The business environment; the business plan)

- Ask students to divide into the small groups in which they will generate their business and community involvement ideas.
- Ask them to spend some time reviewing **Student Activity Sheets 1 and 2**: the business report on the town, and the map that provides more information. (If you prefer to focus on your own town, use your own information and mapping instead of **Student Activity Sheets 1 and 2**). Help students analyse the information and evaluate the opportunities they spot: what might be missing from the town, and what's already there? Groups should:
 - Gather their ideas, for example using a concept map.
 - Identify one or more potential customer groups and the products or services they feel these customers will want to buy. (You may want to explore what kinds of research could help students to find out more about these groups.)



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- Identify the best location for their business: for example a vacant premise on a central street or side street, one of the light industrial units, or office space in town. Students should demonstrate how they have evaluated potential locations and chosen the best.
- Groups need to capture and communicate their ideas in the following parts of a business plan:
 - Executive Summary
 - Description of products or services
 - Description of target customer groups.
- Use the example Business Plan Extract provided on **Student Activity Sheet 4** or your preferred template, or define suitable parameters for students to use (e.g. 200 words per section, half a page, etc. as appropriate).
- Explain that groups need to justify their ideas using facts from their analysis to back up their decisions and plans.

List key marketing activities

(Specification link: Marketing strategies)

- Now ask students to discuss how best to market their new business to their target customers. Students don't need to spend much time on this but should list a suitable range of strategies (e.g. signage, advertisements in local free papers or radio, a launch event, etc.).

- Groups should list their ideas in a brief in the marketing strategy section of their business plan. (This should not go into detail and students don't need to spend time on a logo etc.)

Explore the McDonald's case studies then generate and capture community involvement ideas

(Specification link: Corporate Social Responsibility; stakeholders; business ethics)

- Return to the ideas of community involvement and CSR, using students' examples to refresh their memories. Watch the **case study video**, which explores three examples of how McDonald's invests in national and local activities: support for grassroots football, 'Planet Champions' environmental activities, and 'Free Fruit Fridays'. Use the **case study PDF** (in the student activity pack) to review each activity. Ask students to identify the other stakeholders who benefit, and how, as well as how each activity benefits McDonald's commercially.
- Explain that you want students to use these ideas as models to copy, as they identify a way for their new business idea to integrate community involvement into its marketing strategy. Help students to identify that there could be a conceptual link to the business (e.g. a pet or outdoor shop supporting wildlife)

and that the cause they support should have good public interest and build customer empathy. Students need to identify clear, specific outcomes that benefit both their good cause and their business (e.g. local publicity, increased customers, higher spend, goodwill etc.).

- In their groups, students should use **Student Activity Sheets 1 and 2** to help generate ideas for a community group or local good cause they can support, how their business might do this and the outcomes they expect to deliver for their business and the community groups.
- Students need to capture and communicate their ideas in a 'CSR' addition to their business plan's marketing strategy section. This should include:
 - Description of the community group and rationale for supporting it
 - Description of the support activities their business will undertake, which might include:
 - Money
 - Goods or services in kind
 - Staff time
 - Expert help.
 - Expected outcomes for the community group
 - Expected business impact and benefit for their business.



PLENARY

Present and justify ideas

(Specification link: The business plan)

- Explain that any business plan comes under scrutiny, especially if it is being used to help secure financing for a new business. With this in mind, students need to present their ideas. Give students a few minutes to prepare what they will say and explain how long each group will have (e.g. 1 or 2 minutes to 'pitch' their ideas).
- You may want to introduce and use the concept of an 'elevator pitch': summing up a business idea in one or two short, clear sentences that convey the strengths of the business and CSR propositions.
- Groups should take turns to present and justify their business and community involvement ideas.
- Students can vote on their winning business idea, community involvement idea, and overall best plan (students can't vote for their own idea). You may wish to structure this like a 'Dragon's Den' pitch to one person from each other team and see how many 'Dragons' each team can persuade that their idea is a good one.



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Review the business benefits of community involvement

(Specification link: Corporate Social Responsibility)

- Ask students to explain why they chose their preferred idea, asking them to link their decision back to their understanding of business plans and CSR. Use their examples to review and list the business benefits of community involvement.



EXTENSION/HOMEWORK IDEAS

Write a business report on your home town

Students can research and write a one-page business report on your home town and use online mapping to prepare and label an accompanying map, using **Student Activity Sheets 1 and 2** as models to copy.

Advocate on behalf of a community group

Students can work in small groups to represent and advocate on behalf of one of the community groups listed on **Student Activity Sheet 2**, or a real group or organisation from your local community. They discuss and generate ideas on why their group deserves help and how the group might benefit from business support, and

prepare a written submission or presentation to put across their case. Students could present their ideas to the class and again vote for the group they feel has presented the most compelling arguments.

Identify local stakeholders

Students can identify stakeholders in your local community who may be affected by any new business venture (residents, other businesses, the local council, customers, potential employees etc.). In small groups, students can discuss ways in which one stakeholder group may be positively and negatively affected when a business launches.

Explore other examples of business ethics

Community involvement is one way in which a business can act ethically. What other ways can students think of, and how can each example benefit the business as well as having a wider, positive impact? Students can research and present examples to the class.

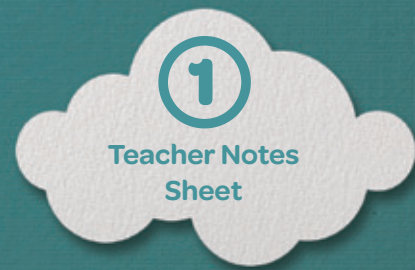
Research how town centres are rejuvenated

Students can research town centre redevelopment and investment, e.g. the Portas Review, town centre tax breaks, Business Improvement Districts (BIDs) and more.



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Deliver as a mini-project

If you have more time available, why not deliver this challenge as an extended mini-project over a series of lessons?

The guide below provides suggestions on how to timetable the activities over five lessons, but you can tailor the project to suit your needs.

Students could also develop the whole business plan, and you can use the project as the framework for an enterprise activity that helps students to apply and reflect on vital employability skills.

Use the lesson plan on pages 3–7 to help you deliver each activity and link each one to your specification.

Session 1	Review the role and content of a business plan Introduce the concept of community involvement and Corporate Social Responsibility (CSR) Watch the Intro and Vox Pops video to explore McDonald's examples Unpack the local 'business environment'
Session 2	Develop, refine and capture business ideas Advocate on behalf of a community group
Session 3	Explore the McDonald's case studies then generate and capture community involvement ideas
Session 4	Prepare and deliver presentations Review the business benefits of community involvement
Session 5	Write a business report on your home town Identify local stakeholders Explore other examples of business ethics