

Student 1 was a member of a business group called Concert Refreshments

<b>Product:</b>	Snacks/drinks
<b>Phases:</b>	Two NCEA music concerts, a week apart
<b>Community focus:</b>	Donation to college music department
<b>Business plan components:</b>	Executive summary, introduction, business goals, mission and values, marketing, people, finance and operations.
<b>Business aims:</b>	<ol style="list-style-type: none"> <li>1 To donate at least \$100 to the college music department for repair of instruments.</li> <li>2 To supply healthy food and drink options to customers</li> </ol>

### CYCLE 1 – group work

*The group's business plan was approved by the assessor prior to the activity being carried out.*

*The activity was carried out at the first concert.*

#### Group's review of Cycle 1

*Explain some aspects that worked well when carrying out your business activity and explain the benefit to the business of each aspect.*

- We were well organised and prepared for the concert. Our stall was set up well before it started so we made some sales before the concert even though our plan had been to sell only at the interval. This gave us confidence for when the big rush of customers came at intermission.
- Although we had some difficulties, especially around money handling, we coped well under pressure and remained quite calm. We were forced to think on our feet. It taught us that it is okay to change plans as long as we learn from our mistakes.
- Customers were very happy with our prices. In fact, we think we will put some prices up slightly so that we sell all of our drinks for \$2.50. This will have the advantage of being easier to remember prices and to calculate change.

*Explain some aspects that did not work well when carrying out your business activity and explain the impact on the business. Also suggest a possible refinement(s) that can be made for cycle 2.*

- Our range of products wasn't up to standard, with some people asking if we had any healthy options. We only had fizzy drinks thinking that these would really appeal to teenage customers. Lots of girls asked for diet drinks which we didn't have. A competing business group was selling hot drinks but we couldn't offer any cold drinks other than fizzy ones. On Thursday night we will sell bottled water and juices as well as a diet option. We will also pre-make and bag natural popcorn but will have salt available for those who want it.
- The feedback from customers about not having enough healthy options was probably because our signage and advertising had contained the word "healthy". Although you cannot please all of the people all of the time, we really should have given more thought to whether our product range matched our claims.
- We started with only \$10 in gold coins and \$5 in silver coins. Some early customers had to wait until we got coins from other customers before they could get their change. Some got upset about this. On Thursday we will have a float of \$50 (coins and \$5 notes). This will be better for our sales and for our customers as they won't be held up.
- Our sales were lower than we had forecast. We had budgeted for a \$105 profit and made only \$48 profit. We will more aggressively advertise prior to Thursday. We have plenty of stock left over so will only have to buy diet drinks, water and juice.

### CYCLE 2 – group work

*The group refined the business plan, with revisions clearly evident by tracking changes in the document. Changes were made to marketing mix (product and price sections), operations, resource list, and forecast income statement*

*The group's plan was then submitted for assessment.*

1

*The activity was carried out at the second concert, one week after the first.*

### Individual Work

#### Student 1's review of Cycle 2

2

*Explain some aspects that worked well when carrying out your business activity and explain the benefit to the business of each aspect.*

- We achieved our first business aim and partly achieved the second. Firstly, we made a profit of \$239 after repaying owners' funds. \$100 of this will be donated to the music department.
- Our mission to provide customers with healthy options was partly achieved. The introduction of water, juice and diet lemonade, as well as natural popcorn, made our range healthier than in cycle 1, but not all customers were happy. Some said there was a lot of sugar in the juice and diet coke was asked for. We felt we had met our second aim but the best judge would be customers and they were not all happy.
- James from our group did "spruiking" on the night, out front of the hall as people were arriving, and in front of our stall at intermission, calling out to people that by buying our products they would be supporting the music department. This appealed to lots of people attending who were there to support NCEA music students anyway.
- While there were very low margins on some of the drinks (especially the juice) since we sold them all for \$2.50, drinks were largely subsidised by popcorn which had a high profit margin on it.

*Explain some aspects that did not work well when carrying out your business activity and explain the impact on the business.*

- We did not hold the monopoly on food that we had enjoyed during the first cycle. Another business group was allowed to sell popcorn for \$2.00 at the concert (because their original cycle 2 plan fell through). Their popcorn also sold for \$2.00 but their varieties were buttered and salted, not plain. Their charity was Red Cross which could have been considered more in need of financial support than the music department. A positive from this potential disaster was that their salty and oily popcorn seemed to help us to sell drinks.
- Some customers noticed that there were varying amounts of popcorn in our bags. This quality control problem made us look unprofessional and could have damaged our business reputation. We should have taken more care to put an exact measurement, such as two cups, in each bag. Also, we used cellophane bags which we bought from the \$2 shop. The bags made quite a loud noise which was annoying during the concert. Soft plastic bags would have been better and kinder to the musicians.
- We could have offered another healthy food option. People saw the popcorn but didn't necessarily know/see that it was plain and therefore healthy. A sticker on each plastic bag could have helped make the point that it really was healthy. This could have helped our sales as we could have been seen as a more socially responsible business.

### Individual Work

**Cycle 3 – further refinements arising from the review with the aim of making improvements for the future.**

3

*State changes you would make to the cycle 2 business plan*

Section	Changes
Primary Research	<p><i>Change the survey as follows:</i></p> <ul style="list-style-type: none"> <li>○ After question 4, add the following questions: 'Would you buy a diet cola if it was available?', 'Would you buy a diet lemonade if it was available?'</li> <li>○ Ask a question to explore interest in bagged lollies, such as those available at dairy counters for \$1 and \$2.</li> <li>○ Ask a question to explore interest in a drink/snack package deal, such as \$4.00 for a chocolate bar and a drink.</li> <li>○ Ask a question to explore interest in a low-fat baked option such as a bran muffin</li> </ul> <p>Broaden sample to include adults (such as staff members and adults who collect their music students after school)</p>
Secondary Research	<p><i>As part of the secondary research strategy, investigate suppliers other than Pak 'n Save. Chocolate bars, in particular, may be cheaper to buy in bulk online. Investigate low-kilojoule juice options</i></p>
SWOT Analysis	<p><i>Change 'threats' section to acknowledge that other Business Studies groups may be food/drink sellers at the venue on the night.</i></p>
Marketing Mix	<p><i>Promotion section – As all profits are to be donated to the Music Department, seek an endorsement from the HOD Music in the form of a free advertisement in the concert programme and a mention during the concert (pre-interval).</i></p> <p><i>Product section – Depending on primary data collected, specify product range; for example:</i></p> <ul style="list-style-type: none"> <li>○ Plain popcorn</li> <li>○ A low-fat baked option such as a bran muffin (unbuttered)</li> <li>○ One option of small potato crisps</li> <li>○ Two chocolate bar options</li> <li>○ Bagged lollies</li> <li>○ One low kilojoule juice option</li> <li>○ Two diet fizzy drink options</li> <li>○ Two fizzy drink options</li> </ul>