

Student 3 was a member of a business group called Sweets Shack

Product:	Boxes/bags of confectionary
Phases:	Selling on L2 Business Studies market day, then on a Friday two weeks later
Community focus:	Donation of 50% of profit to Starship Foundation
Business plan components:	Executive summary, introduction, business goals, mission and values, marketing, people, finance and operations.
Business aims:	<ol style="list-style-type: none"> 1 To buy and bag confectionary and sell out of our stock on market day 2 Review and refine our business activity then sell out of our stock during the second cycle 3 To be able to donate at least \$50 of our profit to the Starship Foundation

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 on the market day.

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.

- Many of our customers bought our products because of the packaging which everyone thought was cute. Some people said the boxes could be used afterwards for another purpose.
- Students bought our product because of the Hersheys and M&Ms that were in our boxes.
- Our customers bought our products because they wanted to help us donate money to Starship which increased our sales.

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.

- We didn't achieve our first business aim. As the end of market day (really just lunchtime) was getting near we should have made the decision to drop our price from \$2.50 to \$2.00. This could have cleared our stock and also make customers believe they were really getting a bargain.
- Our location near the courts. We weren't in a very high profile position so a couple of the group members had to walk around school trying to sell the product, because our promotion strategy was quite poor.
- Customers thought that our prices were too high so they asked for discounts.
- Many customers didn't like the chocolate fish, feijoas and cream, and pineapple lumps that were in the box.

What are the changes necessary to improve your group's business activity for cycle 2?

- Promotion – our business needs to use more methods of advertising to make people more aware of what we will be selling and where.
- Price – the price of our product needs to be reduced as customers in cycle 1 thought our price was too high.
- Product – the different types of confectionary need to be changed as many students didn't buy our product because of the chocolate fish, pineapple lumps and (especially) feijoas and cream.
- Place – we didn't really have much choice about where we sold from last time. Next cycle we will put ourselves in a more prominent place and, if necessary, some of us will just roam around the school.
- Packaging – as cute as they are, buying the boxes from Spotlight, constructing them and then putting our logo stickers on them, takes too much time. We intend to sell only some products this way and the rest in cellophane bags with ribbon ties.

CYCLE 2 – group work

The group refined the business plan. Changes were evident as a different coloured font was used in the document. Changes were made to all aspects of the marketing mix, operations, people and sales forecast.

The group's plan was then submitted for assessment.

The activity was carried out again two weeks later at Friday lunchtime.

Student 2's review of Cycle 2

What worked well when carrying out cycle 2?

- a Our packaging and layout of the stall were eye-catching which attracted customers.
- b We managed to break even by selling more than 27 lolly boxes and 33 lolly bags.
- c All our products were sold at their original set price so we didn't have to give any discounts.

What did not work well when carrying out cycle 2?

- a Not many people wanted to donate anything into the bucket for Starship. The night before our stall we decided to have a donation bucket and give all of the takings in it to Starship, in addition 50% of the profit we made.
- b We wanted to make at least \$100 on the second market day but we only made \$48.58 because our expenses were too high.
- c We sold out pretty fast as we had only made 50 lolly bags and 50 lolly boxes (some were left over from cycle 1) so when customers came later on to buy our product we had nothing left to sell.

How did changes made to the original business plan help you to run a better activity in cycle 2? [Note: only two changes are exemplified here]

- a Selling confectionary bags improved our business activity as this was a cheaper option than the confectionary boxes (though we did sell these as well). The bags attracted more customers because they were getting more lollies than what our competitors (dairies) were selling. Selling lolly bags also attracted our customers to buy more of our products which lead to us selling out. This improved our business activity as we managed to sell all our products and not waste anything.
 - b We changed the price of the lolly boxes as customers from market day 1 thought that our price was too high because they weren't getting enough confectionary in the box for the money. So we changed the price from \$2.50 in cycle 1 to \$2.00 in cycle 2 and increased the quantity of the product by buying cheaper lolly options. This lowered our expenses and increased our profit. It also attracted customers because they were getting more for less which made them happy, having a positive impact on our reputation. Because of lower expenses we were able to make more profit to donate to Starship. It also helped us to break even by selling more than the 27 boxes and 33 bags we needed to sell. We were able to make more profit by selling the rest of the products.
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