

**Business Enterprise**

**Bhupen Dabasia 11G**

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## **Terms of Reference:**

For this business studies report, me and three other colleges took part in running a small little enterprise for one day in the Christmas Fayre.

In our team we had Suraj Unalkat, Shing long-man, Jay Joshi and my self Bhupen Dabasia. Together we chose the following stall ideas and will chose the best one which we could run. Also we all promised to ensure efficient organization and provide a high quality of service when the enterprise makes its debut appearance. Also to be a successful business we will have to make profit and we will have to contribute it all to the school, as it providing money to let an area were we would be based to set up our enterprise, also they are not charging us for any variable costs i.e. Lighting, Heating. There is a deed of partnership which you can see in the appendix (fig 1).

## **Enterprise Options:**

Below I will list a few ideas as a group we came up with to base our enterprise on; also I will include the pros and cons of that particular enterprise:

### **=> Cake Stall:**

#### **Pros:**

Firstly it is easy to serve cakes to customers, hardly any difficult procedeours. Also you can buy in bulk and sell off the items for more so revenue is also going to be higher. With the preliminary tests, at break or lunch, we could increase the profit and attract more potential customers.

#### **Cons**

The main issue here is litter, this will have to be resolved some how and not abused. We would also require an organized queuing system, which would be available on the day. One major factor is that on the day people may not want to eat cakes, as they are not fast food but more of casual foods were you gossip in café drinking coffee and having a slice of cake. Finally we were worried about stock and how if we didn't correctly calculate how much stock we needed then there could be vast amounts of left-over, and they do go out of there sell by date very rapidly.

### **=> Sweets Stall:**

#### **Pros:**

This would be the most easiest as it doesn't take much preparation, all you do is lay out the boxes with the sweets and chocolates inside. Also it would be bought in bulk so you would make a lot of profit selling it in singles. Also it would be the most popular choice by the younger children to buy chocolates and sweets.

#### **Cons:**

As with the cakes stall litter is a main concern. Another important fact is the health factor, sweets and chocolates is influencing little children to eat these acidic and unhealthy foods in order to make their teeth bad and also for them to add on access weight, because during Christmas people wouldn't be that wary of what food they might be consuming.

=> **Phone Accessories:**

Pros:

Easy to manage, because they do not need to be prepared just to lay them out on a table. Also no litter so this is a good option.

Cons:

Hard to get hold of phone accessories, those are cheap enough to be sold in a school Fayre. Limited stock so it could all be sold out very quickly. If the designs are not vibrant or stylish enough there will be no customers. Also too many phone types, so having all the best accessories for all those phones could be expensive.

=> **Shooting Gallery:**

Pros:

Very easy to set up, break even as soon as first customer pays, all profit no losses. No litter or mess left behind.

Cons:

Extremely high safety regulations will be needed to be ensured, Very dangerous as the 'BB-guns' could cause severe damage if not correctly used. We would need an organized queuing up system so that people moving around don't distract the shooter, and the shooters do the best they can so that they repeatedly try to get the most points, which in turn increases our revenue.

## **S.W.O.T Analysis for the 'Shooting gallery':**

### **S: Strength**

### **W: Weaknesses**

### **O: Opportunities**

### **T: Threats**

**Strengths** of having a shooting gallery are that it is original so thus we would be the first ever shooting gallery causing a lot of talk and attention throughout the years, this will provoke free advertising and publicity. This also increased morale so we became more enthusiastic and therefore were working more productively to make ours the best enterprise. We took a lot of risks making a lot of decisions seeing if they affected anything else.

**Weaknesses** of having our shooting gallery would be the safety factors if we weren't going to hurt any one, and see that protection goggles were implemented. Another issue was the violence impact, as we would be having an audience of all ages, and no age limits, this caused a discussion of age limits, this meant we wouldn't get that extra profit, thus we would be making a loss. This means that the younger audience would be watching guns being fired and becoming more interested building a violent craving.

**Opportunities** of this enterprise are countless, we have become entrepreneurs, as this enterprise had never been designed, meant if we failed it wouldn't be a huge disappointment. But we were very motivated and aimed to finish this enterprise and not fail. We wanted to do well not because of the enterprise or us but because if this was the first ever shooting gallery and we did well it would be remembered for generations to come. Also shooting is a very popular activity this would have gained more publicity making more profit.

**Threats** form this enterprise were minimum as we were the only group, which was aloud to do it. One other group did attempt to go ahead but they were rejected as we requested first. One extraordinary competition turned out to be the 'score against the goalie' enterprise next to our shooting range. Another factor, which would have caused a huge impact, is the weather, if it was sunny and bright more people would have attended the Christmas Fayre, and contraire to the weather being miserable thus less people would want to come to our school and visit the fayre.

## **Research Procedures:**

Marketing research is the process of learning about your customers and competitors, so that you can provide the right products at the right price in the right place, promoted in the right way to achieve your business objectives. Gaining this knowledge requires time, money and expertise.

Our primary research methods entail using a questionnaire, see (fig 2)

For secondary data we tried to find out general information about our market (the people that attend the fayre). These were our findings.

- ⇒ Between 1200 to 1800 people attend the fayre every year
- ⇒ The most populated areas of the school on the day are always the hall and corridor running behind the stage and Beyond.
- ⇒ The number of people in the school is at its most between 12pm and 2.30pm  
(All information from past records provided by Mrs Kritz)

Our primary research involved us to conducted a survey across the school (fig 2) we took two members from each form group, the 6<sup>th</sup> boy and 6<sup>th</sup> girl we asked them about them visiting the Christmas fair (if the 6<sup>th</sup> person is absent then it would be the next person down the register after that person). We also questioned them about the length of there visit, there interests in guns, and if the were willing to shoot at the Christmas fair? Then we asked how they feel which prize they would like most, from a raffle, itemized pricing and allowing an others part. Finally we asked them how much they were willing to pay for 3 shots at a chance to win a prize?

We designed our questionnaire to be a closed answer type to it could be presented well in the analytical form. We found a lot of contradicting views for some of the replies. The girl were least in favour of visiting a school fair with our shooting stall, however nearly all the boys claimed they would attend the event because it was there type of skill. And how within their social groups there would be competitions brewing. How one person feels he could get more points than his peer. See (fig 3) for a reduced scale target, ours were enlarged into A3 targets.

### **Evaluation of Research Methods:**

Our research methods had both their advantages and Disadvantages. The results of the primary research were mainly cost- associated, by asking what price we would charge them for using our service and also to find out which was the most optimum prize to give to the winner who gained the most points

The secondary data was obtained without cost and it gave us an overview of the market we were dealing with. The primary research enabled us to aim questions directly at our research objectives, allowed us to obtain extremely up-to-date information from the market (unlike secondary; based on previous year).

### **Market Research:**

### **Survey Analysis:**

Our questionnaire consisted of 9 questions. The first two were introductory, to make the reader feel important so they will take time and reply back. The other 7 questions are set questions with only a few choices for answers making the analysis much more easier. Look at (fig 2) for a sample questionnaire.

Questions 1 and 2 were not really needed they just drew in the reader more. Question 3 although basic did help us a lot It proved that quite a lot of people would be attending the Christmas Fayre and the fact that most of those going were male this made it a lot easier for us to get a higher revenue.

Question 4 asks the reader what they would do at the fayre; the most common response we received was that they would just take a look around. And remarkably from question 5 the majority of the people interested in coming to the Christmas fayre said that they would spend at least 2-3 hours at the fayre. This seems odd because they said in question 4 they just went to look around, this proves that they were drawn in and they actually spent time and money at the fayre not just wasting time.

In question 6 we asked if they would enjoy shooting guns? From the feedback we got I can say that even girls put down they would like to shoot, this was very weird because we never suspected females to be interested in violence, this meant our market would widen as girls would influence other girls to shoot the target.

The 7<sup>th</sup> question asked the reader if they would go to the Gym to visit the shooting gallery. This data was collected by three possible answers, it proved that people were willing to come but they were more not interested or Not willing. Question 8, was not recommended to be sent out but because we had caused so much confusion we opted to ask the students which prizes they would like to claim.

Finally the last question about how much they were willing to pay for 3 shots. This was only set out to find out how much the people were willing to let out on 3 shots at a chance of shooting. This also assisted us on pricing the 5 and 10 shot chances.

### **Marketing Mix:**

Marketing Mix is the terminology used to produce the perfect combination of price, product, promotion and place. This combination has to so specific that if you waste time or money on one area you could lose out on another factor. One problem we faced was of not promoting on time and also deciding where we would be situated. This all effected the end result as we had hardly any time to decide what material would take the impact as we weren't allowed to perform a preliminary test because our stall was very dangerous.

**Price:** This was resolved by the questionnaire we carried out to the whole school. We thought 3 shots would be £0.50, 6 shots would be £1 and 10 shots would be priced at £3.

**Product/ Service:** This was our shooting gallery, as we aimed to provide a high quality shooting gallery for the first time and wanted it to be hazard proof and also for the customers not to be deterred from the stall but to come back and try harder so we increase our profits.

**Promotion:** This was carried out by the whole group Shing-Long Man produced the posters and we went around school and places our posters everywhere to attract more potential customers. Competition didn't actually do any harm instead it helped us by attracting their own customers and then going around school and seeing us and trying to beat the high score.

**Place:** In the beginning we wanted to lease a part of school so then we could keep all profits but it turned out that we couldn't raise sufficient funds and thought it would be better for the school to keep our days earnings. We opted to get a place in the gym, so we could have enough space and area to follow health and safety issues. See (fig 4-5), these are our memo's requesting the gym. If you turn over to see (fig 6) you will see the exact location on a map.

### **Market Forces/External Influences:**

External influences are factors outside a firm's control, such as changes in the economy or the law. Market forces are the influences of customer demand and producer decisions on supply upon price and Customer satisfaction.

External influences can provide opportunities as well as threats (see SWOT analysis). These influences can be divided into four categories:

- ⇒ Demand- companies are often influenced by customer demand (presents opportunity).
- ⇒ Inputs- many external influences have their impact on the business through its requirement for inputs e.g. financial backing (sponsorship).
- ⇒ Social Factors- businesses are under more pressure to be aware of ethical issues e.g. environmental considerations.

### **Finance:**

#### **Raising Capital: Initial Ideas:**

All businesses need money invested in them. Sources of finance are the origins of that money. They are where the money in the businesses comes from. In our case we were a company just starting out and although we did

not need money to invest in fixed assets (e.g. buildings) we did need money to purchase materials or to buy in finished goods. The money used to purchase stock and to pay the bills (e.g. rent/rates) is known as working capital and needs to be generated prior to the opening (to the public).

From book research we knew that finance for business comes from two main sources:

- 1) Inside- internal finances
- 2) Outside- external finances

=> Internal finance

This was not possible for us to have, as we had not generated any sales. Such finance assumes that the firm is already operating.

=> External finance

We had to look for finances from outside our own resources.

We had a few ideas:

a) BANK LOAN:

We thought of going to a local bank and informing them of our enterprise plan. We would then make a proposal for short term financing which we would pay back within a week of the end of the enterprise. There is one problem we need a guarantor.

b) TRADE CREDIT:

This is where we as a business would obtain the goods (in this case, the prizes) another business. We would not pay for these immediately. The average credit period is 2 months.

c) DONORS/SPONSORS:

This is where a firm writes to potential donors e.g. government (grants) and larger companies outlining the concept of the company and what is needed of the donor> Donor's respond positively in the form of cash lump sums and/or their services. They may not respond at all. Unless there was an advantage for them to give you the money.

### **Variable and Fixed costs:**

Variable and fixed costs are in every business. Variable costs are the bills, which every business must pay, whether it is the electrical, gas, light and even phone. Variable cost as its name can vary; the amount to be paid can change a little. This is contraire to fixed costs, they are always there to be paid of and you cannot get rid of. An example of fixed costs, this would be the leasing bill or the rent of a building you occupy for your business to run.

In our stall we didn't have any variable costs, as we would break even as soon as the first customer came along. This was good as we were making significant profit so we knew we didn't have anything to loose. Our fixed costs was the prize money, this was £15, which was a fraction of what we actually retained. Mrs Kritz hourly came and took our profits for safekeeping; we made a grand total of £80.





## **Conclusion:**

The Christmas fayre I think was a brilliant success and that our group bonded so well we were able to complete the set task without any flaws and hardly any difficulties. Some difficulties we faced were working from 11am till 5pm without any breaks, we rested in between the customers which was hardly more than a couple of minutes. We didn't get any refreshments which was disappointing as we had to leave the 4 man group to struggle with 3 and this made customers wait and become bored. This isn't very helpful as they wouldn't come back to try again because the queue to shoot was on average 2 people and when a member of the group left it rose to around 5-6 and on one occasion we had about 8 people waiting to have their turns. We didn't want to sacrifice a fixed break, as there would be that much less turn over.

I feel that the day as a whole was a very big success. We all enjoyed that day because it was a new experience to see how we created a business in under 2 months and how it was so unique and successful the stall was so attractive and run so professionally that we set the standard of how the shooting stall should be run and next year. If it does develop and become a whole new experience it will be because of us, that we brought it into the customers vision and with such skill that it was remarkable.

Apart from being thirsty and hungry in certain times there were no other problems. We successfully managed to keep the stall in order and made sure that nothing went wrong, and if it did we would have systematically solved it without any worry or concern to the consumer. We photocopied a lot of targets so we didn't run out whilst maintaining the stall. We also kept a 12-meter safety line, which wasn't to be passed by unauthorised people. We had identification tags to promote the stall and to see who was given the rights to pass the safety line/table. Also with this all spectators we kept at 20 meters back. We tested it and found even the ricochet of the 6mm plastic pellets wouldn't reach a passer by. With the safety issue every one close to the shooting range had to wear goggles and it was at their own liability if they didn't wear them, but we did ensure them constantly.

## **Recommendations:**

Improvements, which we could have made, were to make more shooting ranges, not just the one, by this I mean to have 2 or 3 so that more people could use the facilities and not be deterred by the queues. Also I feel we should have had a larger working force so we could have had breaks and nourishments to replenish our selves. Also I think that the resources we had could have been better, such as the backboard for the targets, as we used two crash mats we could have acquired cork board which would have absorbed the bb impact and also kept them inside the wood so we didn't have to pick up the bb at the end of the day instead we could have just taken the boards and picked them out.

I think the activity chosen was excellent as it had never in the schools history been practiced we made the first time the one to remember. I feel that we made it look very professional and also got high revenue from creating our exceptional stall. I would defiantly do it again with even higher potential, if I had more time I would have developed it, not drastically, but enough to gain a higher turn over. And it wouldn't be the same if I hadn't had done it with such enthusiastic and very hard working people.

**Bibliography:**

Alain Anderton: GCSE BUSINESS STUDIES

Mill Hill County High School resources (e.g. handouts)