6.1 The HL toolkit and social-enterprise action planning

Name: _____ Class: _____ Date: _____ **Total: 25 marks**

KEY WORDS decision tree • social enterprise

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Objective

Use the position and quantitative tools of the business management toolkit, and build the Paper 3 plan of action for a social enterprise (HL).

1 Key knowledge and worked examples

Toolkit. SWOT (pair strengths with opportunities); STEEPLE (one cited factor per letter); five forces graded strong or weak; force field analysis (driving vs restraining, scored); Ansoff – penetration, product development, market development, diversification by rising risk. Statistics on $16, 18, 20, 22, 24, 24, 26, 30$: mean 23, median 23, mode 24, range 14, Q_1 19, Q_3 25, IQR 6. Decision tree: $\text{EV(A)} = 52 - 20 = 32$ thousand, $\text{EV(B)} = 22.5 - 5 = 17.5$ thousand. Critical path A–B–C $= 3 + 5 + 2 = 10$ weeks; float on D $= 4$. Paper 3: human need → costed options → the 17-mark plan (finance, marketing, operations, HR, stakeholders, contingency).

2 Practice

2.1 Place each fact in SWOT: (a) a 25% market share; (b) a rival opening nearby; (c) staff trained on e-bikes; (d) a council grant for community repairs. [2]

2.2 Name Ansoff's four strategies in order of rising risk, placing the concession-repair CIC in one of them. [2]

2.3 Daily repairs over eight days: $16, 18, 20, 22, 24, 24, 26, 30$. Calculate the mean, median, mode, range and interquartile range. [4]

2.4 Option A costs 20 000 with a 60% chance of 80 000 and a 40% chance of 10 000. Calculate its net expected value. [3]

2.5 With A permits (3 weeks) → B fit-out (5) → C training (2) and D tools (4) parallel to A and B but before C: identify the critical path, state its length, and state the float on activity D. [4]

3 Exam-style questions

3.1 *(Original, Paper 3 style, HL.)* The CIC will offer concession repairs to jobseekers on weekdays, when capacity utilisation is 80% and full-price work carries a contribution of 10 per repair. Outline the human need it meets and recommend a plan of action covering finance, marketing and operations, with one risk and its contingency. [6]

3.2 *(Original, HL five forces.)* Apply Porter's five forces to the local bike-repair trade, grading each force, and state the strategy the verdict supports. [4]

Solutions

2.1 (a) Strength – internal, present (1); (b) Threat – external competitor (1); (c) Strength (1); (d) Opportunity – external, future funding (1). Full credit requires the internal/external logic, not guesswork.

2.2 Market penetration, product development, market development, diversification (1 for three or four in a sensible order). The concession-repair CIC is DIVERSIFICATION – a new service in a new community market (1).

2.3 Mean $= 184/8 = 23$ (1); median $= (22 + 24)/2 = 23$ and mode $= 24$ (1); range $= 30 - 16 = 14$ (1); $Q_1 = 19$, $Q_3 = 25$, IQR $= 6$ (1).

2.4 Gross EV $= 0.6 \times 80\,000 + 0.4 \times 10\,000 = 48\,000 + 4\,000 = 52\,000$ (2); net $= 52\,000 - 20\,000 = 32\,000$ (1).

2.5 A–B–C $= 3+5+2 = 10$ weeks is the CRITICAL path (2); its length fixes completion at 10 weeks (1); D's path D–C $= 4 + 2 = 6$, so float $= 10 - 6 = 4$ weeks (1).

3.1 Human need: jobseekers cannot afford full-price repairs yet need mobility to attend interviews – a transport need the market leaves unmet at their willingness to pay (1). Plan: FINANCE – the concession price (15) still covers variable cost (10), so each concession repair contributes 5; the council grant and a 5 000 pilot budget fund tools, and the break-even of 1 250 full-price repairs is protected by capping concessions to the 20% spare capacity – 500 slots at 5 = 2 500 of contribution a month (1). MARKETING – promote through the jobcentre and community groups at no media cost; word of mouth builds the CIC brand (1). OPERATIONS – concession slots fill weekday slack (utilisation 80% $\rightarrow$ toward 90%), scheduled between full-price peaks so the margin of safety (750 repairs) is untouched (1). Risk: demand for concessions exceeds the 500-slot cap – contingency: a waiting list with referral priority, and volunteer mechanics trained through the workshops (1). Judgement: the social objective and the commercial arithmetic point the same way, so proceed with the pilot (1).

3.2 Rivalry HIGH – several independents compete on price for a plateaued market (1). New entrants HIGH – few barriers: tools, a premises and skill (1). Substitutes MODERATE – public transport and new-bike purchase, but no direct substitute for repairs (1). Buyer power HIGH – customers price-compare and switch easily; supplier power LOW – parts are commodities (1). Verdict: a price war bleeds everyone, so the verdict supports DIFFERENTIATION (service quality, subscriptions, the CIC's community standing), not cost leadership. (Grades may be argued if justified from the case.)

Local review guidance: show the working line by line – Section A marks method; every force GRADED with a case reason, not named bare; (R1 3.1) the plan names finance, marketing, operations AND a contingency – the 17-marker's marks are for coverage plus integration. This is authored classroom guidance.