The HL toolkit and social-enterprise action planning (toolkit; P3)

International Baccalaureate · IB Diploma · Business Management · HL

The HL toolkit and social-enterprise action planning

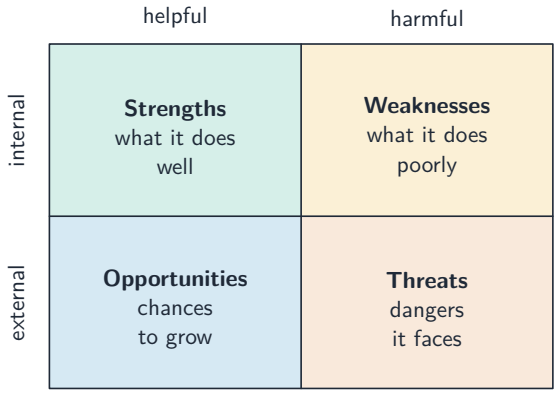
IB Diploma Programme Business Management HL (first assessment 2024). This topic covers the BUSINESS MANAGEMENT TOOLKIT and the HL-only PAPER 3 (the social-enterprise paper): the analytical tools (SWOT, Ansoff, STEEPLE, Porter's five forces, force field analysis), the quantitative tools (descriptive statistics, decision trees, critical path analysis) and the action-planning format Paper 3 rewards. The worked case is the shared repair business converting into a COMMUNITY INTEREST COMPANY – repairs at concession prices for jobseekers, funded by full-price trade – so every number cross-checks with Units 1–5.

Must-know for the toolkit:

Family	Content
position	SWOT; STEEPLE; five forces (HL)
growth	Ansoff's four strategies by risk
statistics	mean, median, mode; range; IQR $= Q_3 - Q_1$
decisions	expected value: A 40 000 vs B 22 500
projects	critical path 10 weeks; float 4
Paper 3 (HL)	human need → options → plan of action [17]: finance, marketing, operations, HR, impacts, contingency

Position tools: SWOT, STEEPLE and five forces

SWOT analysis SWOT sorts the factors of a decision: STRENGTHS and WEAKNESSES are INTERNAL (today), OPPORTUNITIES and THREATS EXTERNAL (tomorrow) – and the analysis earns its keep when it PAIRS them: strength × opportunity (use it), weakness × threat (fix or hedge it). **STEEPLE** scans the external macro-environment – Social, Technological, Economic, Environmental, Political, Legal, Ethical – one factor per letter, cited from the case, never invented. PORTER'S **FIVE FORCES** (HL) grade an industry's profit pool: COMPETITIVE RIVALRY (strongest in the trade), the THREAT OF NEW ENTRANTS (low barriers in bike repair), the THREAT OF SUBSTITUTES (public transport, new-bike purchases), BUYER POWER (high – many independents) and SUPPLIER POWER (low – parts are commodities). The verdict writes the strategy: strong forces → differentiation or exit. LEWIN'S **force field analysis** maps DRIVING forces for a change against RESTRAINING forces and scores each – the change proceeds when the driving total beats the restraining total, and management works on weakening the restrainers, not only pushing harder.

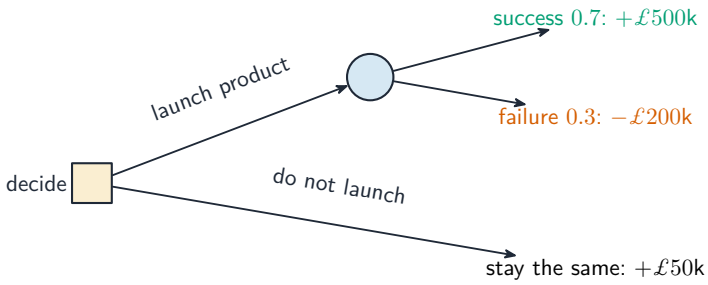


SWOT: internal strengths and weaknesses, external opportunities and threats

Growth direction: ANSOFF'S **matrix** crosses product (existing vs new) with market (existing vs new): MARKET PENETRATION (existing both – promote harder: lowest risk), PRODUCT DEVELOPMENT (new product, existing market – the subscription fleet), MARKET DEVELOPMENT (existing product, new market – the neighbouring country from Unit 4), DIVERSIFICATION (new both – the concession-repair CIC: highest risk, highest need for new competence). **A business plan** gathers all of this for a funder: summary, ownership and objectives, market and marketing, people, operations, finance and risks – the toolkit's writing-up form.

Quantitative toolkit: statistics, decisions, projects

Descriptive statistics summarise data. Daily repairs over eight days: $16, 18, 20, 22, 24, 24, 26, 30$. MEAN $= 184/8 = 23$; MEDIAN $= (22 + 24)/2 = 23$; MODE $= 24$; RANGE $= 30 - 16 = 14$. The **interquartile range** $= Q_3 - Q_1$ measures spread through the middle half: lower half $16, 18, 20, 22$ gives $Q_1 = 19$; upper half $24, 24, 26, 30$ gives $Q_3 = 25$; $IQR = 6$ – robust to the outlier that would distort the range. The box plot shows the five-number summary (min 16, Q_1 19, median 23, Q_3 25, max 30) at a glance.



A decision tree: square nodes are decisions, circles are chance outcomes with probabilities

A **decision tree** prices a choice under uncertainty: launch the concession service nationally (A) or pilot it in one district (B). A costs 20 000 and has a 60% chance of 80 000 revenue and a 40% chance of 10 000: gross expected value $= 0.6 \times 80 + 0.4 \times 10 = 52$ thousand, so net of its cost EV(A) $= 52 - 20 = 32$ thousand. B costs 5 000 and has a 70% chance of 30 000 and a 30% chance of 5 000: gross EV $= 0.7 \times 30 + 0.3 \times 5 = 22.5$ thousand, so EV(B) $= 22.5 - 5 = 17.5$ thousand. A wins on expected value – but the tree also shows A's downside branch (net −10 thousand) and the softness of the probabilities, which is exactly the evaluation Paper 3 wants. CRITICAL PATH analysis (HL) schedules a project's activities: opening the community workshop needs A permits (3 weeks) → B fit-out (5) → C staff training (2), with D tools order (4) running parallel to A and B but before C. Path A–B–C takes 10 weeks; D–C takes 6: the **critical path** is A–B–C, and D carries FLOAT $= 10 - 6 = 4$ weeks – the project's completion date is the critical path's length, and only critical activities delay it.

Paper 3: the social enterprise (HL)

A **social enterprise** trades to meet a human need: the TRIPLE BOTTOM LINE – PEOPLE, PLANET and PROFIT – sets objectives a pure profit firm lacks. The **circular economy** closes the loop on the planet leg: reduce, reuse, recycle (refurbished bikes and parts, not landfill). HL PAPER 3 presents an unseen social enterprise in trouble: Section A tests the toolkit on the stimulus (define, calculate – the statistics and decision-tree arithmetic above); Section B offers two possible actions with financial data and asks for a reasoned choice; the 17-mark Section C integrates everything into a PLAN OF ACTION: identify the HUMAN NEED the enterprise exists to meet, choose the action, then cost it (finance), price and promote it (marketing), deliver it (operations), staff it (HR), weigh the impacts on EVERY stakeholder group, name the risks with contingencies, and conclude with a judgement that the human need leads and the numbers follow. The CIC case in one sentence: concessions for jobseekers fill weekday slack (capacity is at 80%), protect the 37.5% margin of safety on full-price work, and fund themselves through the 10-per-repair contribution – a social objective that the operations arithmetic supports.

> **Worked example (original, on the shared case).** Which tasks decide the project? Two routes reach launch: A (3 weeks) → B (5) → C (2) totals 10 weeks, while A (3) → D (1) → C (2) totals 6. The critical path is A–B–C at 10 weeks – a week saved on B shortens the whole project, while D carries 4 weeks of float (10 − 6). Critical path, float, and where effort pays: three answers from one network.

Checklist

- SWOT with pairing; STEEPLE with one cited factor per letter; five forces graded strong/weak with the strategic verdict; force field analysis scored and acted on.
- Ansoff's four strategies ranked by risk with the CIC as diversification; the business plan's contents.
- Statistics: mean 23, median 23, mode 24, range 14, Q_1 19, Q_3 25, IQR 6 – and why the IQR beats the range at outliers; the box plot's five numbers.
- Decision tree: net EVs 32 000 vs 17 500, with the downside and probability critique.
- Critical path A–B–C = 10 weeks; float on D = 4; only critical activities move the date.
- Paper 3's shape: toolkit on the stimulus, a reasoned choice between two costed actions, and the 17-mark plan of action led by the human need.

Boundary notes: Paper 3 is HL ONLY and reward-weighted [17] on the final plan – practise the section order and the stakeholder sweep; the statistics, EV and critical-path arithmetic are worth showing in full because Section A marks them method-by-method. All worked numbers are original on the shared case.