



Business Studies

This transition pack will provide you with a brief outline of the course structure and a reading list of sources and videos. You may wish to use these sources before and throughout the course to improve your wider understanding. This pack also contains some interesting and fun activities to get you ready for the first few weeks of the course.

Activity 1 – Comparison of entrepreneur's stories

Read the two case studies below about the entrepreneurs and their business start-up stories. Then answer the questions below.

Entrepreneur 1: Fraser Doherty – Super Jam

Fraser Doherty always loved jam, especially his Gran's jam made to her very own secret recipes. So much so, that when Fraser turned fourteen his Gran shared her jam secrets with him and he soon started making it himself, selling his produce at farmers markets and to local shops.

Thing was, Fraser loved eating jam as much as he loved selling it. In fact, he was getting through a few jars of his own jam every week. He quickly realised that all of that sugar probably wasn't doing his health a lot of good. So Fraser had an idea...

He decided he was going to make the healthiest jam possible using only the most nutritious fruits and without adding any sugar or sweeteners. Originally, his customer base was limited to neighbours and friends from his church, but business picked up quickly, and by age 16, he left school to work on his jams full time.

He tweaked his recipes and came up with a name for his product: Super Jam. Orders picked up faster than he could produce the jam--made from only fruit and fruit juice--in his parents' kitchen, so Doherty started renting out a factory a few days each month.

In early 2007, Waitrose approached Doherty hoping to sell his Super Jam products in their stores. Within months there were Super Jam jars on the shelves of 184 Waitrose stores.

Doherty borrowed £5,000 from a bank to cover general expenses and more factory time to produce three flavours: Blueberry & Blackcurrant, Rhubarb & Ginger, and Cranberry & Raspberry. Tesco followed, adding Doherty's products to 300 stores across the U.K.

In 2008, Super Jam hit \$1.2 million in sales, a 60% jump from 2007. "I can't be preoccupied with the money," says Doherty. "I make jam because it's what I love to do." Success is pretty sweet too.



SuperJam™

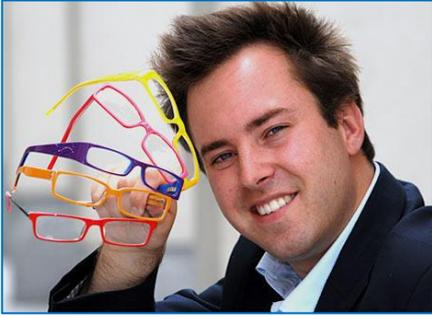


Entrepreneur 2: Jamie Murray Wells – Glasses Direct

Jamie Murray Wells is the founder and Executive Chairman of Glasses Direct, which he started at university. Studying for his final exams at university, Jamie discovered he needed to wear glasses. After visiting his local optician he was so staggered by the £150 price tag. "I got fleeced £150 for a pair of glasses. I looked at them and thought, it's just a bit of wire and glass, why does it need to cost so much?"

So I looked into the costs and found that they could be made for around £15 a pair. I sent my prescription to the lab and then had two pairs that looked the same; the difference was that one cost £150 and the other £15. I realised there was an opportunity here to pass on these savings to customers, so I got together with some university friends, hired a web developer and used the last £1,000 of my student loan to get it started. "





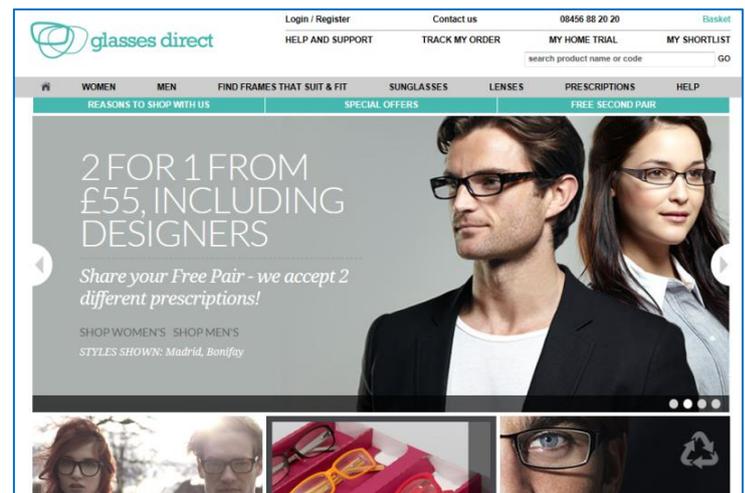
After finding a laboratory to support his idea for providing better value prescription glasses, he set up shop in his parents' front room with friends and family helping out. Word began to spread and within two months of trading, the phone was ringing constantly, and the orders began pouring in. With thousands of enquiries by the end of his summer holidays, what had begun as a sideline had become a real business meeting a real need. **Glasses Direct, the first online prescription glasses retailer was born.**

The business grew in popularity and he raised £700,000 through various business angels (venture capitalists) as well as friends and family. They moved to new premises and hired a team of staff to help with the operations. In the first year they had turned over in excess of £1m and probably saved the UK public many times that amount on their prescription glasses.

Despite early threats of legal action, and pressure on his suppliers from high street brands, Jamie fought to fully establish Glasses Direct in the optical market place, and eight years later, the 29 year-old has seen the company grow to become the largest online retailer of prescription glasses in Europe. The company now ships a pair of glasses every few minutes round the clock, and has saved the UK public in excess of £40 million pounds on their glasses.

According to Jamie it was possible to start up with so little capital thanks to their suppliers – “they would hold the stock for us, send the completed glasses out to customers and invoice us 30 days later. As we were taking payments upfront from customers, this enabled us to get the business going.

I watched cash flow like a hawk, and was also helped by the diminishing costs of technology and software at the time, after the dot com bubble. Other than this, I had all my friends working for me, and even kicked my sister out of her bedroom so I could use it as an office. I was the customer services, marketing, PR and accounts departments rolled into one. We handed out flyers etc, but word of mouth really made it fly, and we were selling fifty or more pairs of glasses a day pretty quickly. After that it was a question of scaling the business and getting logistics etc. into place. If you want something to work on a £1,000, you can do it, it's only necessary to prove that the concept works.”



TASK: Answer the questions below based on the examples above and your own knowledge:

1. What is an entrepreneur? **(2 marks)**
2. What characteristics did each of these entrepreneurs have that made them successful? **(4 marks)**
3. How important is market research in ensuring new business ideas are successful? **(6 marks)**
4. What methods can entrepreneurs use to raise the finance necessary to start up? **(4 marks)**
5. Both entrepreneurs spotted a gap in market:
 - a. What gap did they spot? **(2 marks)**
 - b. How important do you think it is to spot a gap in the market for a new small business? **(6 marks)**
6. What are the biggest obstacles to starting up a successful new business venture? **(4 marks)**
7. “Without the entrepreneurial skills demonstrated by those in the case studies, these businesses would not have succeeded.” To what extent do you agree with this statement? **(10 marks)**

Activity 2: Global Brands Quiz

Below are the some of the top 30 most valuable global **brands** in 2013 according to Inter brand. However they are not in the correct order.

TASK: Put the brands in the correct order from most valuable to least in the table below.

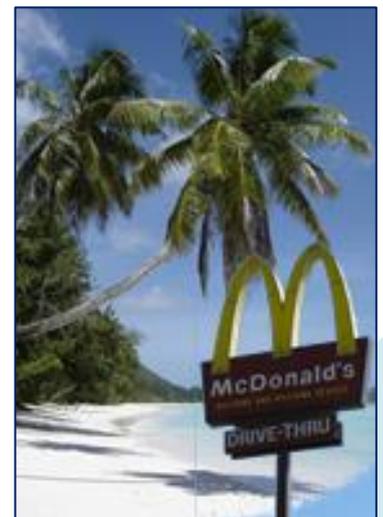
1.	2.	3.	4.	5.
6.	7.	8.	9.	10.
11.	12.	13.	14.	15.

Activity 3: Desert Island Companies

You have been stuck on a desert island, but luckily five companies have already set up there. Which five companies do you feel would be most important for you to be happy and survive?

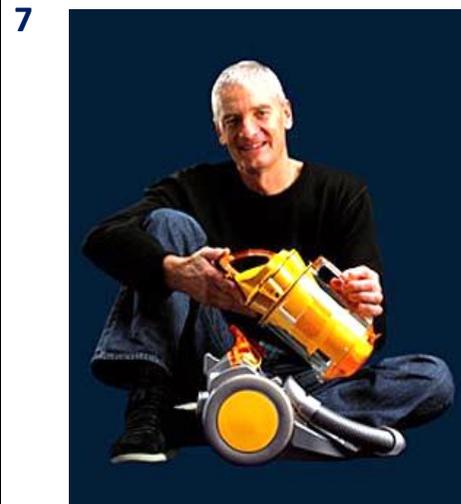
TASK: Complete the following tasks

1. Individually produce a list of five companies (5 minutes)
2. Now in pairs compare lists and narrow your ten companies down to the five most important (3 minutes)
3. Now in fours compare your ten companies and decide on a final five (3 minutes)



Activity 4: Who is enterprising?

Look at the people below write down who they are and the company they are famous for starting.



Reading List

Books, newspapers and magazines

A2 textbooks

AQA A2 Business Studies: Textbook by J Wolinski and G Coates (29 May 2009)

AQA Business Studies A2: Student's Book by P Stimpson, H Coupland-Smith and D Mansell (20 Apr 2009)

AS textbooks:

AQA AS Business Studies: Textbook by J Wolinski and G Coates (26 Sep 2008)

AQA Business Studies AS (AQA for As) by Peter Stimpson, Steven Foden and Diane Mansell (26 Jun 2008)

Other good sources to read:

Revision guides such as the CGP Business Studies for AQA – AS & A2 Revision Guide

Business Review magazine – Students will be able to subscribe to this when they start at The Burgate Sixth Form

A **good quality newspaper** (Particularly the business section) such as; The Guardian, The Times, The Telegraph, The Independent or the I for a more concise read.

Books and autobiographies written by famous entrepreneurs such as Howard Schultz, Terry Leahy, Richard Branson, Alan Sugar, Karan Bilimoria, Duncan Bannatyne, Deborah Meaden, Peter Jones, Theo Paphitis, Fraser Doherty etc

Journals and magazines may also be useful to read to broaden your knowledge such as; The Economist, Marketing and The Grocer

Recommended Television shows/videos to watch

The Foods That Make Billions (BBC, 2011) A BBC series about how big business feeds us by transforming simple commodities into everyday necessities and highly profitable brands. There are three episodes which can be found on YouTube:

Liquid Gold (Bottled Water) - www.youtube.com/watch?v=ZsP6cMRC5LM

The Age of Plenty (Cereals) - www.youtube.com/watch?v=zYkLByB7HQ4

Pots of Gold (Yogurt) - www.youtube.com/watch?v=cXdk6mG_gbw

Business Nightmares with Evan Davis (BBC, 2011) - A BBC series about how even the world's top companies make mistakes. Insiders reveal how plans that seemed like a good idea turned into commercial calamities. All three episodes can be found on YouTube in four parts:

Doomed Designs - www.youtube.com/watch?v=UxStG3b76sE

Marketing Mess-ups - www.youtube.com/watch?v=9CtM0vCOCDg

Disastrous Decisions - www.youtube.com/watch?v=YsXMuVq1MZI

Steve Jobs: Billion Dollar Hippy (BBC, 2011) – A BBC documentary on the history of Apple and Steve Jobs. It can be found on YouTube - www.youtube.com/watch?v=0Q-11cSNshc

BBC Mark Zuckerberg Inside Facebook (BBC, 2011) – A BBC documentary on the history of Facebook and Mark Zuckerberg. It can be found on YouTube - www.youtube.com/watch?v=bMMei5NWDrQ

RBS - Inside The Bank That Ran Out Of Money (BBC, 2011) – A BBC documentary on the rise and fall of the Royal Bank Of Scotland under Fred Goodwin. It can be found on YouTube - www.youtube.com/watch?v=st40Gps08KI

BP - In Deep Water (BBC, 2010) – A BBC documentary on BP and the Deepwater Horizon oil spill. It can be found on YouTube - www.youtube.com/watch?v=53KJecfzgjQ

BBC Panorama – www.bbc.co.uk/programmes/b006t14n - The long running BBC current affairs programme, featuring interviews and investigative reports on a wide variety of subjects but often business related. In the past there have been relevant episodes such as The Big Squeeze, How to Survive the Meltdown and The Truth about Supermarket Price Wars. These documentaries are often available for up to a year after broadcast.

Films/Documentaries:

Enron: The Smartest Guys in the Room (2007) YouTube: www.youtube.com/watch?v=xIO731MAO4&feature=related

The Corporation (2006) YouTube: www.youtube.com/watch?v=2z-JVP6aAxs

Super Size Me (2004) YouTube: www.youtube.com/watch?v=tLqhuULT2uo

Useful websites

www.tutor2u.net – **Tutor2u** is an essential Business Studies resource for all students. It contains an excellent Blog with relevant news stories, exam advice and analysis of topical events. It also has various quizzes, revision notes and Power Points for free.

www.bbc.co.uk/news/business - Keep up to date with current events in the business world through the **BBC website Business news section**. Very easy to read and many helpful articles to gain real examples of the theory learnt in class. Vital for success in A2.

www.guardian.co.uk/business/uk-edition - The **Guardian newspaper Business section**. Slightly more in-depth look at business current events and still free to access on-line.

www.independent.co.uk/news/business - The **Independent newspaper Business section**. Another great source for business stories and again still free on-line.

www.thetimes100.co.uk - **The Times 100** contains case studies, revision notes and quizzes on a range of firms

www.aqa.org.uk - **AQA** exam board for A-level Business Studies