

Scenario Pack

Operations management

Cambridge IGCSE™

Business 0450

This *Scenario Pack* can also be used with the following syllabuses:

- Cambridge IGCSE™ (9–1) Business Studies **0986**
- Cambridge O Level Business Studies **7115**



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Introduction

This pack will help you to encourage your learners to develop and use higher order thinking skills such as application, analysis, evaluation and justification.

Important note

Our *Scenario Packs* have been written by **classroom teachers** to help you deliver lessons which develop higher order thinking skills. Use these materials to supplement your teaching and engage your learners. You can also use them to help you create lesson plans for other parts of the syllabus.

This is one of a range of *Scenario Packs*.

Each pack draws on a range of assessment objectives so that learners can focus on using higher order thinking skills in novel situations. A range of media are used in the packs to give learners an immersive experience within which they can use their skills. The packs can be used in any order to suit your teaching sequence.

In this pack you will find the lesson plan, worksheets for learners, video file and teacher resource sheets you will need to successfully complete the lesson. Please note that the lesson timings are for guidance, and you may need to adapt these to suit your circumstances.

Developing thinking skills

This *Scenario Pack* focuses on all four assessment objectives, drawing on subject knowledge from section 4.4 of the course syllabus.

This 90 minute lesson has links to the following syllabus content (see syllabus for detail):

- 4.4 Location Decisions

The activity covers the following skills, adapted from assessment objectives AO2, AO3, AO4 (see syllabus for assessment objectives):

- applying knowledge and understanding of facts
- distinguishing between evidence and opinion in a business context
- interpreting information
- thinking to problem solve
- drawing inferences and conclusions
- making judgements
- making decisions
- making recommendations
- presenting reasoned explanations
- balancing arguments.

Prior knowledge

Knowledge from the following syllabus topics is useful for this activity.

- 4.4 Location Decision
- 4.4.1 The main factors influencing the location and relocation decisions of a business

Scenario lesson: Making informed business decisions

Resources

- PPT
- Video Brief
- Worksheet, Worksheet B, Worksheet C, Worksheet D, Worksheet E and Worksheet F
- Map of local area (provided by the teacher)

Learning objectives

By the end of the lesson:

- **all** learners should be able to use their thinking role to help solve a business problem using some of the influencing factor cards
- **most** learners should be able to use their thinking role to weigh up positives and negatives of three potential location areas, using a range of influencing factor cards
- **some** learners will be able to give fully justified reasons for the final location choice

Timings

Activity



Starter

The starter activity is to help learners refresh their knowledge on key factors that influence location decisions for businesses. Using [Worksheet A](#), learners should sort the influencing factors into quantitative factors (financial factors that could directly affect the costs, revenues and profitability of the location site) and qualitative factors (non-financial factors that need to be considered).

Go through the answers using [Worksheet A: Answers](#). Learners can self or peer mark. Explain to learners that some factors will affect businesses in different ways, depending on if they are operating in the secondary sector or tertiary sector. You could lead a discussion around those factors affecting the tertiary businesses as the example in this pack operates in this sector.



Main lesson



Use the PPT to introduce learners to the main activity and an outline of background information on the business.

The slides explain that this activity is based on the principle of Edward De Bono's six thinking hats and introduces them to the six thinking roles they will use to help a business make informed decisions to solve a business problem.

Please note that the main activity timing is for guidance, and you may need to adapt this to suit your circumstances. We recommend learners are given approximately 50 minutes for the main activity to allow them time to immerse themselves in their thinking roles, and reach justified conclusions.

Put learners into teams of six or teams of three (in teams of three, each learner will assume two thinking roles).

Scenario lesson: *Continued*

Timings	Activity
 <p>50 min</p> <p>This activity may continue into the next lesson</p>	<p>Hand out to each team, the following things:</p> <ul style="list-style-type: none"> • Worksheet B • Worksheet C • Worksheet D • Worksheet E • Worksheet F • A map of the local area with three locations identified as potential sites for the restaurant (you will need to provide this and mark on suitable sites). <p>The interactive video will run for the duration of the activity giving learners prompts throughout to aid their thinking and decision making.</p> <div> <p>Start the interactive video now</p> </div>
 <p>20 min</p>	<p>Plenary</p> <p>Bring learners together for this closing activity and ask them to present their final location decision for the restaurant. They will need to use their completed Worksheet E to help them to present their final justified decision.</p> <p>You should use Worksheet G to record each team's final choice and reasons. Once complete compare the final results to see how many were in agreement with each other. This may prompt a further discussion between the teams.</p>

Worksheets and answers

	Worksheets	Answers
A: Factors influencing location decisions	9	18
B: Business brief	10	–
C: Thinking roles	11	–
D: Influencing factor cards	12	–
E: Location recording sheet	13-15	–
F: Key term support sheet	16	–
G: Teacher recording sheet	17	–

Worksheet A: Factors influencing location decisions

Sort the statements below into the correct columns in the table.

Quantitative factors	Qualitative factors

Availability of labour (workers)	Cost of the premises / site to purchase or rent	Potential market size = potential revenues – nearness of the market	Size of the premises or site
Availability of local or national government location incentives	Cost of labour (workers)	Transport costs for customers	Availability of local infrastructure – transport links
Transport costs for suppliers	Availability of local infrastructure – water, power and telecommunications	Legal restrictions	

Worksheet B: Business brief

You have been hired by restaurant chain '*Two Forks and a Spoon*' to decide where they should locate their next restaurant.

The business is looking for opportunities to grow. Market research supports locating one of its restaurants in your local area, but their lack of knowledge of suitable locations means they are unsure of where best to locate the restaurant.

They have decided to hire your team to make a decision on the best location where future profits can be maximised.

The restaurant has won awards for its quality food and innovative menu. Working with local suppliers is important to the owners of the restaurant so that authentic cuisine for the local area can be built into their menu. They are also prepared to work with suppliers further away and import any items they need that cannot be sourced (obtained) locally. They are working to a tight budget.

You will be provided with a map of your local area, so you can decide on a suitable location. You will be given a choice of three locations within that area to choose from.

You need to consider a range of factors which are likely to influence your decision on the best place to locate within the local area.

You will need to adopt six thinking roles between you, to help determine the positives and negatives of each influencing factor in relation to the locations in your local area that are being considered as suitable sites for the restaurant. Weigh up these factors, drawing conclusions from your team's thinking to reach a justified conclusion on where the restaurant should locate.

Good luck with your task!

Owner of Two Forks and a Spoon

Worksheet C: Thinking role cards

Each of you in the team need to select a role from those on the cards. If there are less than six of you, some of you may need to take more than one role.

<p>‘Cautious’ thinking role</p> <p>This role spots potential problems with a decision / solution and tries to see why it might not work. It aims to highlight weak points in a decision / plan allowing time to eliminate them or counteract them. This thinking role acts with caution.</p>	<p>‘Creative’ thinking role</p> <p>This role develops creative solutions to problems. It is about coming up with creative ideas, alternative ideas and new ideas.</p>
<p>‘Positive’ thinking role</p> <p>This role is about positivity and looks at the benefits of a decision / solution. They will want to think about the good points and the positive things. It helps to keep the team motivated when everything seems challenging and difficult.</p>	<p>‘Feelings’ thinking role</p> <p>This role looks at problems using emotion and gut reaction, and tries to understand how others might respond to decisions made. This is all about feelings and hunches and how others might react to decisions.</p>
<p>‘Planning’ thinking role</p> <p>This role manages the whole thinking process / activity. They will keep check on time and will control what is going on. They will make sure all of thinking roles are used and the plan is followed. They will ask questions such as ‘What have we decided on so far?’ and ‘What do we need to decide on or do next?’</p>	<p>‘Facts’ thinking role</p> <p>This role works with facts. They look at the information they have and see what they can learn from it, and ask what other information do we need.</p>

Worksheet D: Influencing factor cards

These prompts should help you to think about the factors that might influence the location of the business.

<p>Size of the premises</p> <p>Are the premises big enough?</p>	<p>Visibility</p> <p>How visible is the premises from car and foot traffic?</p>
<p>Accessibility</p> <p>How important is customer parking? What amount of parking is there and how accessible is it? How easy is it to access by car, foot, bus or other modes of local transport?</p>	<p>Businesses in the area</p> <p>How well are the businesses doing that are already in the area?</p>
<p>Customer convenience</p> <p>Is the location convenient for them? What are the transport costs for customers? How easy is it for them to reach the restaurant?</p>	<p>Competition</p> <p>How close is the competition? To what extent is competition a threat?</p>
<p>Transport costs and nearness to suppliers</p> <p>How close are equipment and food suppliers? How important is having close proximity to suppliers?</p>	<p>Availability of labour (workers)</p> <p>Are there enough local staff with the right skills required, e.g. qualified chefs?</p>
<p>Cost and skills of labour (workers)</p> <p>How much will the labour cost? Are there any minimum wage requirements? What is do labour in the restaurant industry expect to be paid? Are there skilled chefs in the area?</p>	<p>Legal restrictions</p> <p>Are there any legal restrictions, business regulations, local laws that could be challenging?</p>
<p>Cost of the premises to purchase or rent</p> <p>Is the premises affordable? How much will it cost?</p>	<p>Availability of local energy infrastructure</p> <p>Any restrictions or limitations with water, power, telecommunications?</p>
<p>Potential market size</p> <p>How big is the local market? How many residents within a 5km radius? How close would the customers be to the restaurant?</p>	<p>Availability of local transport infrastructure</p> <p>How important are transport links such as road, air, rail and sea?</p>
<p>Availability of local or national government location incentives</p> <p>Are there any business grants or reduced business rates to help with the reduction of set up costs?</p>	<p>Future growth</p> <p>Does the location allow for future growth and development of the restaurant?</p>

Worksheet E: Location recording sheet

Use this sheet to record the positives and negatives of each influencing location factor for the three location sites for the restaurant.

Influencing factor	Location A		Location B		Location C	
<i>Size of the premises</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Visibility</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Accessibility</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Businesses in the area</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Customer Convenience</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Competition</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Transport costs and nearness to suppliers</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives

Worksheet E: *Continued*

Influencing factor	Location A		Location B		Location C	
<i>Availability of labour (workers)</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Cost of labour (workers)</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Legal restrictions</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Cost of the premises</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Availability of local energy infrastructure</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Potential market size</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Availability of local transport infrastructure</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives

Worksheet E: *Continued*

Influencing factor	Location A		Location B		Location C	
<i>Availability of government location incentives</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
<i>Future Growth</i>	Positives	Negatives	Positives	Negatives	Positives	Negatives
FINAL LOCATION DECISION (when presenting reasons for your final location decision, part of that justification is also saying why you have rejected the other two locations)	<u>Choice</u> <u>Reasons</u>					

Worksheet F: Key terms

Key term	What it means
Authentic	Not false or copied; genuine; real:
Cuisine	A style or quality of cooking
Hire	To engage the services of (a person or persons) for wages or other payment
Imports	To bring in (merchandise, commodities, workers, etc.) from a foreign country for use
Innovative	Introduce something new or different
Market Research	The process of collecting, recording and analysing data about the customers, competitors and market for a product
Profits	The difference between revenue and total costs
Suppliers	A party that supplies goods or services

Worksheet G: Teacher recording sheet

Record each team's final choice following their presentations by putting a circle around the chosen location on the sheet. Record two reasons for their final choice and two for each of the locations they have rejected.

Team Name	Location A	Location B	Location C
	<i>Reasons why/why not chosen</i> 1 2	<i>Reasons why/why not chosen</i> 1 2	<i>Reasons why/why not chosen</i> 1 2
	<i>Reasons why/why not chosen</i> 1 2	<i>Reasons why/why not chosen</i> 1 2	<i>Reasons why/why not chosen</i> 1 2
	<i>Reasons why/why not chosen</i> 1 2	<i>Reasons why/why not chosen</i> 1 2	<i>Reasons why/why not chosen</i> 1 2

Worksheet A: Answers

Quantitative factors	Qualitative factors
Transport costs for customers	Size of the premises or site
Transport Costs for suppliers	Availability of labour (workers)
Cost of labour (workers)	Legal restrictions
Cost of the premises / site to purchase or rent	Availability of local infrastructure – water, power, telecommunications
Potential market size = potential revenues and nearness of the market (how close are the customers)	Availability of local infrastructure – transport links such as road, air, rail and sea
Availability of local or national government location incentives – linked to reduction of set up costs	

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