

Code and name of activity:	T_BA_02_PO: Paper cup business ¹
Competencies developed:	business awareness planning/organizing
Time needed:	120 - 180 minutes
Materials:	100 square white and coloured paper. (Making A4 size paper into squares may be a part of the task.) Toy money called "Talon" (any token or paper toy money - or counters may be used) One ruler and scissors per team
Setting:	Chairs around tables so that participants have ample room and teams don't disturb each other.
Type:	teams - maximum 6 members/team
Aim:	To be able to provide feedback to the participant on their business awareness, as well as their planning/organizing skills.
Objectives:	By the end of the day the participant should be able to identify the level of their competency in the field of "business awareness" and "planning/organizing".
Handouts:	L_BA_02_PO: Paper cup business 1 / team (they may need more than one copy of page 3)
Short description:	A simulation game of producing paper cups which reflects the different business set-ups.
Alternative activities:	

Rationale:

In real life, when operating a business many factors need to be taken into account. Apart from finding a balance between costs and income, and insuring the smooth running of production processes, the business has to react sensitively to market demands. Unexpected changes in the market may lead to high tensions - and the business should be able to tackle these, as well.

During the game toy money or counters can be used.

Step-by-step description of activity:

1. **Preparation phase:** It should be decided beforehand, whether you provide square paper to start off with or A4 - and make it a part of the activity to ensure proper-size starting materials. It is a good idea to have a helper, who will be the "client".
The type of simulation money to be used has to be decided, as well and the information on the learning material (L_BA_02) has to be adjusted accordingly.
2. Information about the game – the group will form 2 or 3 teams. Each team will represent a business which produces paper cups. The goal of the businesses is to produce paper cups with their own business logos according to the demands of the

¹ The activity is adapted from the Dobbantó programme.

market and do the book-keeping regarding income and costs. (The trainer has to decide how the teams are to be formed.) Each team/business can consist of a maximum of 6 persons.

There will be two types of organizational set-ups: one hierarchical and one based on same status members. If there are more than two teams there can be more than one set-up of one of the types.

Hand out L_BA_02: Paper cups - 1 per team.

3. The teams have 10 minutes at their disposal to:

- read the "Rules" on page 2.
- decide who the observer will be (this person cannot participate in production)
- decide who the leader will be - the leader has the last say regarding decisions
- In business "A", which is hierarchical, all persons have different pre-set tasks, the team has to decide which member will do what, if there is a query or there is a task that has not been assigned to a person – the leader's opinion and permission has to be sought
- In business "B" all members can perform any of the tasks that need to be done - provided there is a consensus on who is doing it - the role of the leader is having the last say regarding decisions

4. A client must be identified - if possible an adult helper.

5. The teams decide what their name will be and design a logo. (20 minutes)

6. Go through the rules together:

- The paper cups will be bought (or rejected) by the client at the end of the production cycle. The client may only buy cups that have the full logo displayed on it and is folded precisely.
- The currency used is Talons.
- The client can only buy cups in bulk, i.e. 10 cups/pack. 1 bulk (10 cups) is worth 20 Talons.
- Every cup must have the full logo on it.
- All teams must have up-to-date book-keeping records at the end of the production cycle.
- At the end of each production cycle the rent of the premises (1 Talon/production cycle), the utility bills (2 talons/production cycle) and the wages of employees (1 talon/production cycle/person) must be paid.
- EVERY cost must be fully paid at the end of a production cycle. (This is optional: If the business cannot pay it - it must take a bank loan.)
- The trainer indicates the beginning and the end of the production cycles and indicates changes in market preferences.
- Every business starts with 10 Talons as capital.
- There is a possibility to lease equipment (i.e. ruler and scissors). The leasing charge is 1 Talon/equipment/production cycle.
- The cost of 10 pieces of paper is 1 Talon.

7. The duration of the production cycle must be announced (suggestion: 10 minutes/production cycle). In the break between the cycles the goods are offered to

the clients, book-keeping is done and the market conditions for the next production cycle are announced. New purchases of raw material is done in this time interval. It is suggested that a further 1-2 minutes be given to the teams to prepare for the next production cycle.

8. The trainer demonstrates how to make a cup.
9. The trainer announces the market conditions of the first production cycle: white cups are needed. When all purchases have been made the production cycle begins. The end of the production cycle is announced and the clients as buyer decides which goods are accepted and pays the businesses..... and so on.
10. The trainer decides how many production cycles there will be.
11. The trainer may make the market situation more difficult by announcing market changes, e.g. the market prefers and pays a higher price for cups of a certain colour (or will only accept cups of a certain colour). This must be announced before the production cycle begins!

The price of colour paper is double (i.e. 10 pieces of paper cost 2 Talons) and the buying price of colour cups is 150% (i.e. 30 Talons for the bulk of 10 colour cups).

12. The trainer might want to introduce a “financial inspection” - where book-keeping and cash-register is checked. A fine of 5 talons has to be paid if the books are not kept up-to-date.
13. Bank loans may be made possible with 20% interest rate/cycle in the form of compound interest. (You may want a helper if this is introduced).
14. Leave time for the teams to share their thoughts and feelings. (They will do so anyway....)

It is a good idea for later feed-back purposes to provide paper and pens to participants at this time and have them complete the following sentences:

- What I liked about this game was.....
- The most challenging thing during the game for me was.....
- I was most frustrated during the game by.....
- I learnt from this game, that.....

Don't forget to tell participants to write their name and date on the paper! Collect these reflective statements and put them in the personal portfolio.

15. Provide structured time for observers to provide feed-back to their team and reflect to the whole group on what they had observed.
16. The trainer interviews the group on their experiences. First the leaders and observers are asked to reflect - then all other participants. Sample questions:
 - „How did you feel when...?“
 - „Were you aware of...?“
 - „Do you remember that...?“
17. Also discuss how these events surface in real life - and their consequences.

18. Further possible events, considerations during the game:

- There may be more than 5 production cycles if the participants wish so.
- The trainer may make the market situation more difficult by announcing market changes, e.g. the market prefers and pays a higher price for cups of a

certain colour (or will only accept cups of a certain colour). This must be announced before the production cycle begins!

The price of colour paper is double (i.e. 10 pieces of paper cost 2 Talons) and the purchase price of colour cups is 150% (i.e. 30 Talons for the bulk of 10 colour cups).

- The element of “financial inspection” may be introduced - where book-keeping and cash-register is checked. A fine of 5 talons has to be paid if the books are not kept up-to-date.
- Bank loans are possible with 20% interest rate/cycle in the form of compound interest. (You may want a helper if this is introduced).
- The object of the game can be anything else that is simple to make....
- Ask a member of the Chamber of Commerce - or a small business entrepreneur to participate in the game as a helper. This person will be very helpful in the reflection phase of connecting game experiences to real-world situations.
- Ask the businesses to make a poster to market their product. (This is a good idea if there are tensions left in the group.)

Please put all artefacts that are the outcome of this activity into each participant's personal portfolio.