

TEACHER GUIDE CHALLENGE 4: SUPPLY CHAIN AND MANUFACTURING

BACKGROUND/SUMMARY

Supply chain and manufacturing is a central element of the work of a company like Unilever. Supply chain and manufacturing refers to things like transporting of products, cost of materials and ensuring on-time delivery of a project.

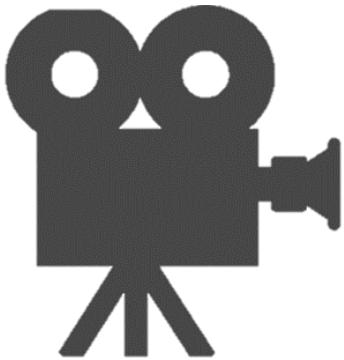
SESSION OUTLINE

In this session, students will consider the costs of producing the product they have developed to explore whether it could make a profit for the company,

ACTIVITY 1

Use page 1 to introduce the factors that affect the profitability of a product – cost and time.

PLAY VIDEO



ACTIVITY 2

Use page 2 to introduce the idea that costs must be reasonable to enable a profit to be made.

Talk students through tables A-E (pages 3-7) and ask students to work out the cost and timings for their product using the worksheet on page 8.



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ACTIVITY 3: THE CHALLENGE

Using page 9, talk to students about the Business Case for their product. Discuss why Unilever would not be willing to launch a product with a poor gross margin.

Students will then need to use the worksheet on page 10 - to calculate their profit and gross margin.

The table below will help allow them to use their gross margin to understand if they have a good business case.

BUSINESS CASE KEY:

POOR = <60%

ACCEPTABLE = 60-65%

GOOD = 66 - 71%

EXCELLENT = >71%

If your business case is poor it is unlikely to be accepted by Unilever – go back and think about how you could reduce costs,

If their calculated business case is poor, ask them to think about how they could reduce costs – for example changing their advertising campaign or packaging.



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ACTIVITY 4

Once the students have completed their calculations, move onto page 11 and tell them an unexpected issue has arisen. Ask them to read the issue (page 12) and discuss which option they would pick.

The students will then need to fill in page 13 to explain why they picked the option they have chosen. If cost is implicated, students will need to recalculate their gross margin and business case.

Risks can arise all the time in real-life business and predicting these risks is an essential skill. Ask students to consider what other risks could occur and how the chance of these issues happening could be reduced.

CRITERIA UNILEVER WILL BE LOOKING FOR -

- Evidence that students have calculated their gross margin and demonstrated an understanding of the business case.
- Logic applied to either taking a cost of timing implication depending on their particular business case.
- An understanding of the different issues that could occur and suggestions for how these could be avoided.
- For submission, this can be presented in any desired format –for example these elements could be explained through a pitch via video, through a drawing or using the templates as provided. The more creative the better!

