

SACE TWO

Business Innovation

WORKBOOK

FIRST EDITION

Tom Porta

Angeline Panayi-Motus



THE AUTHORS

Tom Porta B.Ed, BA, MEd(SpecEd); *Nationally Certified Highly Accomplished Teacher.*

Tom is currently the SACE and VET Coordinator at Seymour College in Adelaide, South Australia. He teaches a range of subjects including Nutrition, Psychology and Research Project, as well as Stage 2 Business Innovation. Tom undertakes responsibilities with the SACE Board for Stage 2 Business Innovation and other SACE subjects. He has taught across all three schooling sectors in his career and is a passionate advocate of inclusive learning for students with additional needs. Tom is a lifelong learner, currently undertaking his Doctoral Studies in Education with the University of Southern Queensland.

Angeline Panayi-Motus B Ed, Adv Dip T (Economics), Grad Cert (Legal, Accounting)

Angeline is a highly experienced educator who has taught Accounting, Legal Studies and the numerous versions of SACE Business Courses over 40+ years of teaching. For 12 years she gained real business experience combining teaching with owning and co-managing a small business with her husband, John Motus. She has participated in SACE curriculum writing, moderation, and external marking. Her students have benefited from her passion for business as evidenced by nominations from past Stage 2 Business Studies' students for National Inspirational Teaching Awards. Currently, she is Enterprise Subjects Coordinator at Seymour College, teaching Business Innovation and Economics.

Acknowledgements

To individuals who have contributed to this book, we say, Thank You!

- Thank you to our colleague, Angus Carey, for his willingness to read and comment on our first draft even though he had piles of marking to do during that time!
- To Tricia Yandell, Business Innovation and Career Development Manager at Loxton High School for her willingness to provide insightful feedback at a time of the year when most teachers were more than ready to say goodbye to the 2020 Academic Year.
- I, Tom, greatly appreciate my 2020 students' Emily Goold, Charlotte Smith, Hannah Hill and Eliza Fennell for allowing me to showcase their original work in our book. Thank you for working so hard to achieve your personal best and giving me ideas in the augural year of this subject at Stage 2 level.

Publishing Information

This Workbook is part of the Essentials series, designed to support the teaching of SACE Stage 1 and 2 subjects in South Australia. It is specially designed to meet the requirements of the SACE Stage 2 Business Innovation.

The Essentials Education series is published by:

Adelaide Tuition Centre,
21 Fourth Street, Bowden 5007.
TELEPHONE (08) 8241 5568
www.essentialseducation.com.au

ISBN - 978-1-925505-39-9

First Edition 2021.

Copyright © Essentials Education 2021.

Copyright information

The copyright of the text of this book remains the property of the authors and the copyright of the diagrams and cartoons belongs to the publisher. All rights are reserved except under the conditions described in the Copyright Act 1968 of Australia and subsequent amendments. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, without the prior permission of the publisher. While every care has been taken to trace and acknowledge copyright, the publishers tender apologies for any accidental infringement where copyright has proved traceable.

Contents

6	Message to teachers	86	SECTION 3:
7	Message to students		THE MARKET
10	SECTION 1:	87	3.1 Primary and Secondary Research
	GETTING STARTED	90	3.2 Business Intelligence: Market & Industry Analysis
11	1.1 What is the External Task?	92	3.3 Business Analysis Tools
13	1.2 Helpful Advice before you start	99	3.4 Customer Target Market
19	1.3 Submission Formats Business Plan Business Pitch	102	3.5 Competitor Analysis
26	1.4 Critical and Creative Thinking Skills	105	3.6 Get Keep Grow Strategy
27	1.5 What is the Link between Creativity and Innovation?	108	SECTION 4:
28	1.6 Performance Standards		PROJECT MANAGEMENT STRATEGIES
38	1.7 Executive Summary	109	4.1 Goals
		112	4.2 Can Agility and Planning Co-exist?
		115	4.3 Action Plans
42	SECTION 2:	126	SECTION 5:
	THE BUSINESS		THE FINANCE
43	2.1 Team Canvas: Vision, Purpose and Values	127	5.1 Financial Objectives and Targets
59	2.2 Value Proposition and Value Proposition Canvas	162	SECTION 6:
64	2.3 Location & Distribution Channels		DECISION MAKING TOOLS
68	2.4 Legal Requirements		& STRATEGIES
72	2.5 Ownership Structure	163	6.1 Why use project management tools
74	2.6 Key Personnel and Organisational Structure	164	6.2 Lean validation board
78	2.7 PESTLE and Sustainability Impacts	167	6.2.1 Experiment Board
82	2.8 SWOT Analysis	170	6.3 Tools for testing ideas, problem validation, business assumptions
		174	6.4 Risk Management Tools
		178	GLOSSARY

Message to Teachers

Through studying Stage 2 Business Innovation, our students will be purposefully prepared to engage with opportunities in our customer-centric, dynamic, digital, local and global business world. As a pool of teachers, we are to be congratulated on being trailblazers exposing our students to this cutting-edge course. The emphasis placed on developing the capabilities in the SACE Stage 2 Business Innovation (BI) Subject Outline means “learn by doing” is the nucleus of student learning. Through design thinking and direct involvement in innovation, our students will identify, design, test, iterate, and communicate viable business solutions whilst engaging with complex real-world problems.

It was Tom’s initial idea to write this Workbook, but it did not take much convincing!

Our mission is to support students in all schools to embrace this innovative course and particularly the final External Task, with confidence, passion and gusto! The emphasis on flexibility allows students to make independent, tailored choices as they navigate the path of developing their Business Plan and Pitch, but with a platform and sturdy guard rails to help them stay on track as they showcase evidence of their learning against the Performance Standards! We have adopted Covey’s approach – Habit 2: Begin With the End in Mind®.* It is recommended that you introduce the nature and requirements of the External Task early in the year so students can keep this end goal in mind from the outset. They can choose to use the business model created in AT2 or they can choose to start fresh.

This Workbook is **not** a prescriptive handbook on how to write the External Task! As teachers, it is reasonable for us to expect that each student will present a unique and innovative Business Plan and Pitch. Our approach is to use the 30% External Task as the lens through which students view key themes, concepts, and tools that underpin the course. So, this Workbook will support student learning throughout the course. Case Study extracts are included to highlight how real businesses design, sustain and transform their businesses to inspire students and provide classroom-ready materials for teachers. The accompanying formative tasks identified by the THINK.SHARE.ACT signpost provide a range of open-ended opportunities for collaborative learning stretching critical and creative thinking skills.

The shift away from delivering content presents us with a challenge and an opportunity to be risk-takers alongside our students. The exciting aspect of our course is that it is explicitly designed to mirror the reality of an uncertain, constantly changing business environment. Ironically, with one of the few constants being change itself, we know that the resources, tools and strategies BI students use are also likely to change. The 2021 edition of this Workbook will evolve and a future digital complementary format will respond to, and mirror, the changes in our dynamic real business world.

As teachers, we are wholly committed to the open-ended, free-spirited approach of this course. However, we are realistic and acknowledge that providing students with a framework is a reasonable way of supporting them to realise their potential in this innovative course.

The overarching purpose of this Workbook is to encourage students to take risks with their learning, and ultimately produce an innovative, unique Business Plan and Pitch.

This Workbook supports the mission of the subject outline:

“Students learn to innovate and think like designers to find and solve problems that matter to specific people in a business environment characterised by change and uncertainty.”

Enjoy your teaching.

Best wishes

Angeline and Tom

*Dr. Stephen R. Covey - “Paradigms are powerful because they create the lens through which we see the world. If you want small changes in your life, work on your attitude. But if you want big and primary changes, work on your paradigm.”

The 7 Habits of Highly Effective People was named the #1 Most Influential Business Book of the 20th Century. Stephen Covey passed away on July 16, 2012.

Message to Students

This Workbook is designed to support you to confidently embrace the freedom and creativity that is available in Stage 2 Business Innovation as you navigate your journey to complete your external assessment – the Business Plan and Pitch. There are lots of inspiring case studies of business owners who have taken the exciting journey of Designing, Sustaining or Transforming their business. You will be guided through the various elements you can choose to include in your Business Plan, regardless of the concept you are focusing on from the following three options:

DESIGNING A BUSINESS

Create a new business based on an idea that will solve a customer problem.

SUSTAINING BUSINESS

Investigating how a given business can sustain its current success now and in the future.

TRANSFORMING A BUSINESS

Transforming a business to improve its potential to achieve success and stay relevant in today's digital world.

YOU WILL

- Build on the knowledge and skills you have developed in the Business Skills and Business Models components of the course.
- Consolidate your understanding of how to use project management tools, create and apply business intelligence, pivot your assumptions and other understandings fundamental to the design thinking process and business innovation.
- Understand the Performance Standards that will be used to assess the skills and learning you apply to create your Business Plan and Pitch.

BE CREATIVE AND INNOVATIVE when selecting and presenting elements to include in your Business Plan. **ENGAGE ENTHUSIASTICALLY** with primary and secondary research. **PRIORITISE ADEQUATE TIME AND WORD COUNT** to **CRITICALLY ANALYSE AND EVALUATE** the business intelligence you collect and create to inform the decisions you make.

Consider using a submission format that reflects our contemporary business environment. Take advantage of the wealth of opportunities available in our exciting digital age to effectively connect with your audience.

Enjoy your learning.

Best wishes

Tom and Angeline

Learning Outcomes

BY WORKING YOUR WAY THROUGH YOUR WORKBOOK, YOU WILL BE:

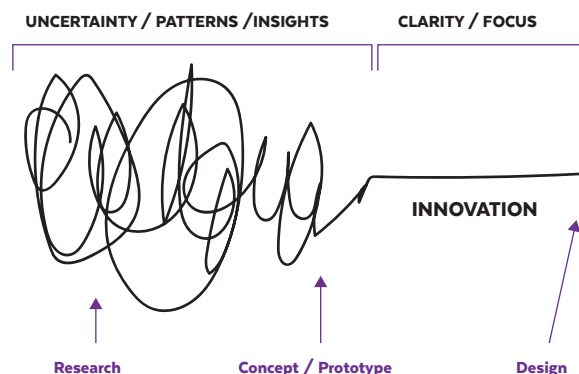
- Confident to select which relevant elements you could include
- Motivated to use business intelligence from primary and secondary sources
- Exposed to useful project management tools and strategies that allow you to monitor your progress, pivots and iterations
- Inspired by extracts about the journey taken by innovators in the real business world
- Inspired to consider a range of submission formats you can use
- Inspired to create an innovative Business Plan
- Inspired to create an engaging Pitch
- Inspired to engage with opportunities available in our digital age.

Whilst completing this task, you will engage with complex, dynamic, real-world problems, to identify and design, test, iterate, and communicate viable business solutions to either Design a new business, or sustain or transform an existing business. Through design thinking and direct involvement in innovation, you will showcase in your Business Plan and Pitch your application of critical and creative thinking skills.

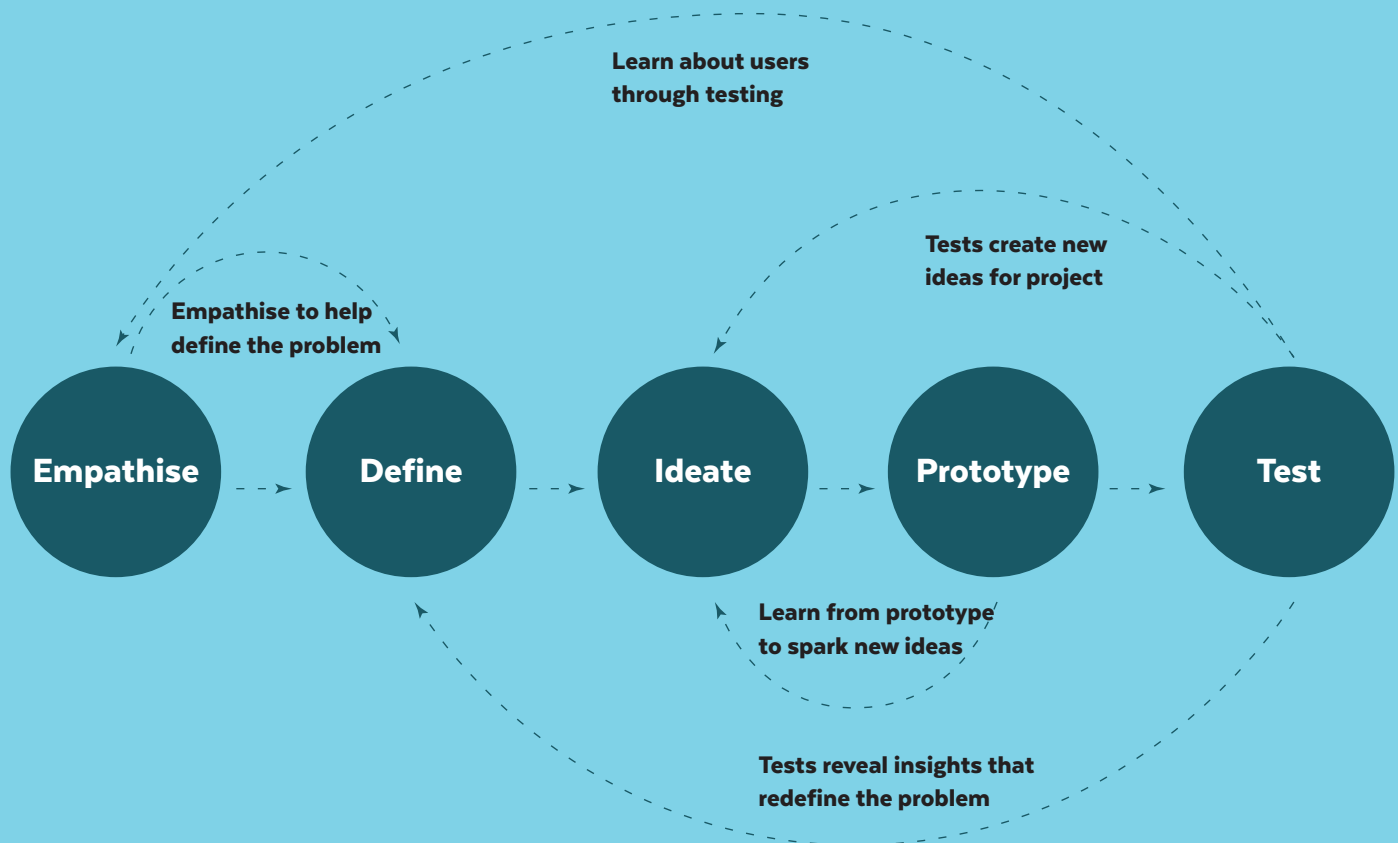
(adapted from Business Innovation 2020 SACE2 Subject Outline)

Uncertainty is the fertile ground of pure creativity and freedom

—DEEPAK CHOPRA.



DESIGN THINKING: A NON-LINEAR PROCESS



The design thinking process underpins the external Business Plan and Pitch, and the whole Business Innovation course. As you can see, this process does not end. Businesses are constantly using this process to introduce new ideas and they continually test and refine these until they know that the user really needs their product /service to minimise their customer pains.



SECTION 1:

Getting Started

Learning Goals

By the end of Section 1 you will:

- Understand what the External Task is
- Have helpful advice to guide you to **plan** before you start
- Consider alternative submission formats
- Have a clearer understanding how to meet the Performance Standards

7.1

What is the External Task?

Further information about the process used for marking external assessments can be found here: <https://www.sace.sa.edu.au/teaching/assessment/external-assessment>

Like all SACE Stage 2 subjects, assessment in Business Innovation has a 70:30 ratio.

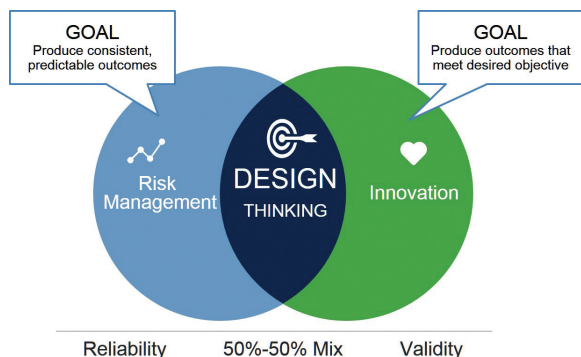
This means 70% of your learning is assessed by your teacher and 30% is assessed externally. The various tasks that make up 70% of your grade are what the SACE Board refers to as your *internal assessment*.

The SACE Stage 2 Business Innovation Subject Outline requires you to complete an *Investigation* that has two parts:

- **Business Plan**
- **Pitch**

This is your *external assessment* that has a 30% weighting. *Externally assessed tasks* are marked by someone other than your teacher.

As this task is marked by a teacher outside of your school, you are reassured that the Performance Standards are interpreted and applied consistently and the results awarded to you – no matter where you attend school – are comparable and fair with all students studying SACE Stage 2 Business Innovation.





1.2

Helpful Advice before you start

PRELIMINARY PLANNING

The first decision you need to make to complete your External Task is to decide which concept you would like to work with. Once you have made this decision the **following fundamental point** applies regardless of which context you choose.

Every decision you make is to be **CUSTOMER CENTRIC**. This idea is the central pillar of the Design Thinking Model that your Business Innovation Course is based on. So, what does this idea actually mean in practice for you? Every decision you make is made based on **WHAT THE CUSTOMER WANTS**.

Reminder: As stated in the subject outline you can choose to focus on the same business used in Assessment Type 2, the Business Model Evaluation. In this assessment type you would have prepared and been assessed on, the evidence of learning displayed in your Business Model Canvas (BMC) and Value Proposition/s Canvas. (VPC)

The advantage of focusing on the same business is that you would have already done the groundwork for your Business Plan.

The Business Plan is about the actual workings of the BMC and the VPC. It is your next step.

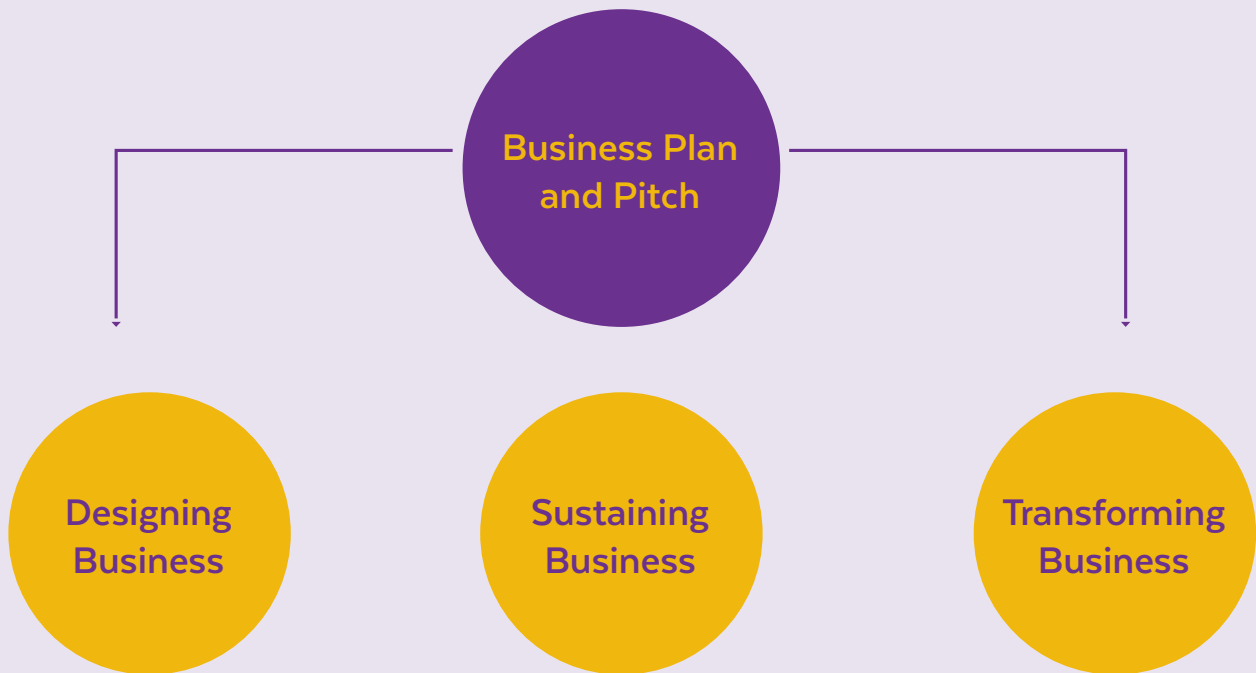
How are you going to execute what is in your BMC and VPC?

It is also fine to start afresh in this task, and then yes, you will need to spend the time mapping out a new BMC and VPC .. but .. be very clear: this mapping is FOR YOUR BENEFIT.

The External Assessment Task is NOT assessing the BMC and VPC so the external marker does not necessarily need to see these canvases! Do not include them even as Appendices.

Appendices are NOT a part of this task.

DESIGNING A BUSINESS



DESIGNING A BUSINESS

Should you choose **Designing Business** as your concept, you will find and investigate a problem for a potential customer, and use project management tools, such as the Lean Validation Board (LVB) or Experiment Board (EB) to validate or invalidate your assumptions. This will allow you, much like you would do, if operating in the ‘real world’, to determine if your proposed solution to the perceived problem is worth developing.

Once you have validated your problem and customer hypothesis, developed and iteratively tested your innovative solution, **then**, you will be ready to create your Business Plan and Pitch.

SUSTAINING OR TRANSFORMING A BUSINESS

If you decide to work with either the **Sustaining Business** or **Transforming Business** concepts, you will, in the first place, need to research and select an existing business to focus on. Allocate adequate time to investigate the business’s digital footprint to find out what the business is about, their Vision, their Core Value Proposition, their Purpose and Values.

Do not rush into creating your Business Plan before you do your research. Think through carefully what aspect/s of the business you wish to transform or aspects you will focus on to ensure the business can sustain success. Spending adequate time on the first phase of testing and validating your ideas will benefit you when you are discussing, implementing and evaluating decisions to sustain or transform your chosen business. Then you will be ready to select elements to include in your Business Plan.

Preliminary Planning

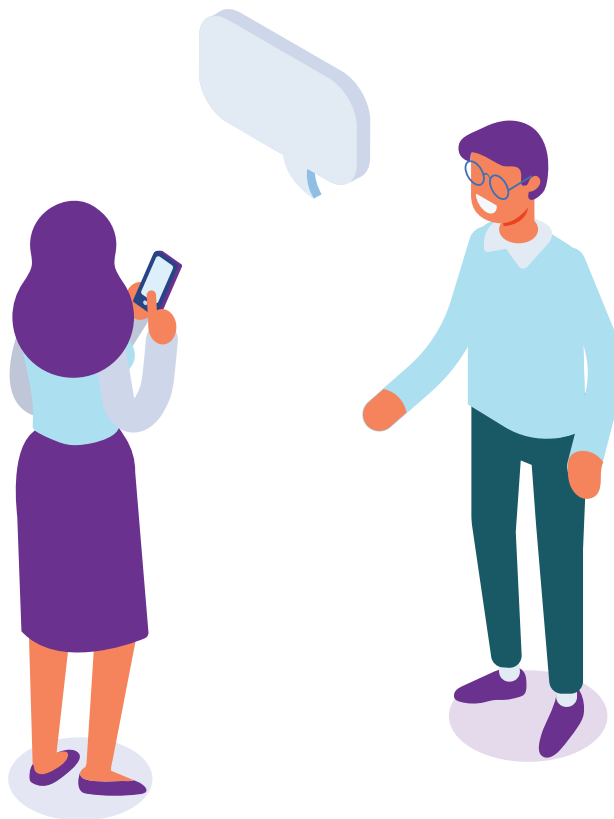
MANAGING THE PROCESS

PLANNING IS VITAL

There are many elements to consider when developing your Business Plan. It is vital that you carefully and responsibly manage the available time to allocate to this task in and out of class. Make it your goal to comfortably submit your work by the due date set by your teacher. It is a wise strategy to **start with the end in mind** – a polished Business Plan that is completed 72 hours before the set due date. This approach will give you the luxury to look at your work with fresh eyes, critically proofreading and editing your work to effectively communicate your ideas. The culmination of your hard work is to submit the very best standard of work you can produce. Work backwards setting yourself staggered deadlines that will motivate you to complete each task and section by a due date. The Business Plan requires much deep preliminary thought, attention to detail and time to conduct research. It will require your time both inside and outside of the classroom. Recall it has a significant 30% weighting – **it is not an assignment that can be “smashed out” a few days before the due date!**

Adopt a time management strategy that will support you over an extended period to achieve success in creating a creative, engaging and innovative Business Plan and Pitch.

In Section 6 you are introduced to digital project management tools that you can use to plan your project and keep track of the various elements, pivots and iterations that will influence your business decisions and what information you include in your Business Plan.



1. SET SMARTER GOALS

PLAN HOW MUCH TIME YOU WILL ALLOCATE TO EACH SECTION OF THE BUSINESS PLAN AND YOUR PITCH

Avoid getting bogged down with taking too much time with the first few sections, losing time for others and running out of time towards the end.

Set **Specific, Measurable, Achievable, Realistic, Targeted** goals. Plan how long you intend to spend on each section. Evaluate your progress at a set time each week. Plan how much time you can sensibly allocate to spend on each section.

Depending on how much class time you are given, and other activities you have during the week, you might aim to complete a section each week. Allocate set study periods when you will work on it, and/or if necessary, allocate a set time each weekend.

Discuss your ideas with friends or family. Seek valuable feedback that you can consider when making decisions about what information you will include. Feedback is not criticism – it is a gift that allows you to re-think, refine and improve your work! Keep the Performance Standards uppermost in your mind when deciding what to include or exclude in your Business Plan or Pitch, particularly if you find yourself exceeding the word count or allowed time limit.

2. PRIORITISE WISELY

As we have emphasised, there are elements of the plan that require you to carry out research. This can take time particularly if you wish to conduct primary research with customers, business owners and other key stakeholders.

You need to plan, design, test, administer and then critically analyse data before you are ready to add it into your plan. The value added to your Business Plan from the information you get through conducting a survey, questionnaire, interview or focus group will depend on the quality of your preparation. Preparing primary research tools requires thoughtful planning, testing and refining. This takes time! *Therefore, do this sooner rather than later!* A strategy you could use to prioritise your workload is to prepare an **'important vs urgent matrix'** such as the one below. Urgent and important tasks should take priority.

	URGENT	NOT URGENT
IMPORTANT	<p>Quadrant I urgent and important DO</p>	<p>Quadrant II not urgent but important PLAN</p>
NOT IMPORTANT	<p>Quadrant III urgent but not important DELEGATE</p>	<p>Quadrant IV not urgent and not important ELIMINATE</p>

3. SET A TIME LIMIT

You must work within the time you have available. It may only be a few weeks. If this is the case, then ensure you set and stick to realistic time limits of how long you can spend on each section. As suggested earlier, dedicate regular time outside of the classroom to make sure you are slowly and methodically chipping away at your Business Plan. Reminder that you do not have an external exam or tests in this subject, so ensure it still gets a fair allocation of time when you are feeling pressured studying for other subjects that may have summative tests and exam revision to attend to.

4. TAKE BREAKS BETWEEN SECTIONS

As the Business Plan is made up of many elements, it can appear a daunting task at the beginning. Plan break times in between sections. Ensure you allow adequate time for your ideas to germinate before you include them in your Business Plan. Some of the elements may be more appealing to you than others. You may enjoy the marketing aspect but be a little less enthusiastic about the finance section. It is 'normal' to tend to gravitate more to the sections you know more about and enjoy. So, ensure you give due time to sections you might be less interested in or know less about!

Look after your mental and physical wellbeing so that your productivity level is high! You ALL have an equal quantity – 24 hours each day of the key resource, TIME. How you choose to use your time is a significant indicator of whether you will be able to meet your goals!

When you are doing your initial planning, have a big picture approach to planning your workload. Consider the demands from all areas of your life. Effective time management skills will allow to comfortably meet your deadlines and manage your workload and achieve personal excellence without having to forego valuable sleep!

5. ORGANISE YOURSELF

Do this from the beginning. Do not waste time due to being disorganised with the way you are storing or retrieving your resources. Store and clearly label hard or electronic copies of your resources and your work in progress. Keep everything in an orderly manner. Due dates have a way of creeping up on you, so ensure you have your resources at the ready! Make sure you save your work in progress in such a way that you can retrieve it anywhere even if your laptop or computer crashes!

6. REMOVE NON-ESSENTIAL TASKS

Look back at the important and urgent matrix. Tasks that are not important and not urgent are usually considered non-essential, so remove them altogether.

7. PLAN AHEAD

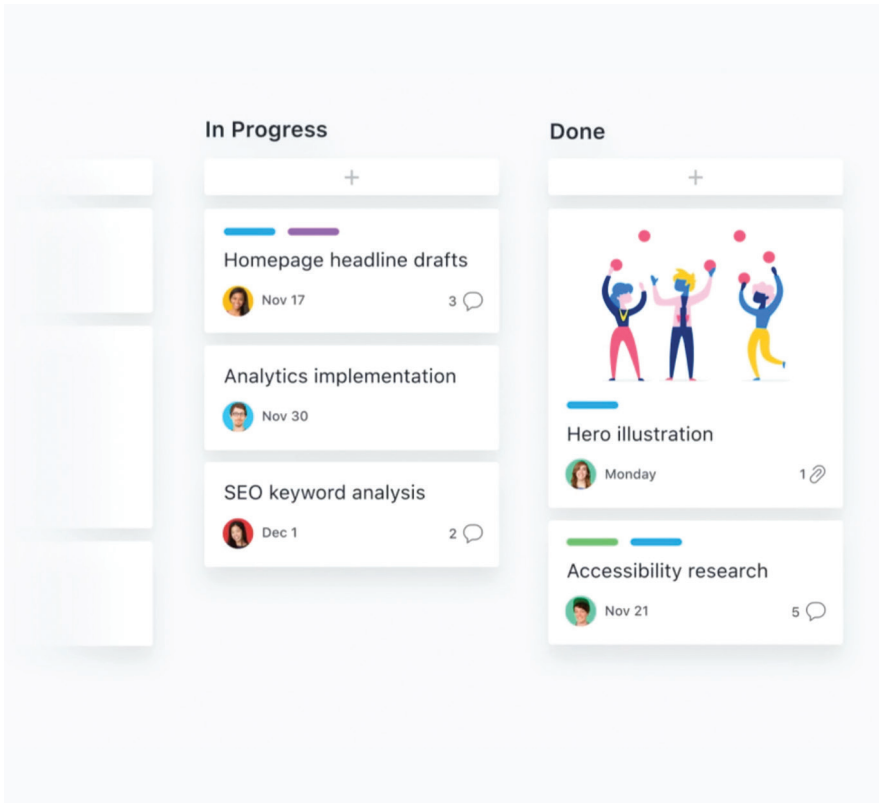
You might need to set up interviews with key people and this takes time. It is very wise to engage in primary research early in the process. The people you contact may also have competing demands on their time so they may not respond immediately, or they may want to set up to meet with you in person or on-line in the distant future. Prepare for this by contacting people well in advance. You might even start this process before the Business Plan is formally introduced by your teacher. Talk with your teachers – they are likely to be very supportive of you wanting to “get ahead early” with your primary research.

8. REFLECT ON AND REVIEW YOUR PROGRESS

Allocate a specific time each week where you review how you are tracking against your time plan. Where are you at? Where had you planned to be? If things have not gone to plan how will you get where you would like to be? Do you need to remove an element of your Business Plan? Do you need to review the staggered deadlines you set yourself? Are they still realistic and achievable?

Seek guidance early from your teacher if you are feeling overwhelmed at any stage or consistently challenged to meet the staggered deadlines set by yourself or your teacher. You may be trying to put too much into your Business Plan.

A Gantt Chart or other digital time management tools may assist you to keep track of when you are going to complete each section. For example, see the following link to find one that suits your needs. www.asana.com?



Boards

Make it easy for yourself to focus on current tasks and plot your progress on things you need to do later in the process. Define each stage of the Business Plan and Pitch – see immediately what’s important and where you are likely to get bogged down and plan ahead how you will manage this. Platforms such as Monday and Trello are great progress mapping tools to assist with keeping on track during the creation of the Business Plan and pitch.

A GANTT chart is another useful, easily accessed and simple to implement tool, to help you manage your project and everything you do. It illustrates the project schedule and the current status of your scheduled activities. Using a GANTT chart will allow you to effectively plan ahead what you need to do, and when you want to achieve this by.

<https://tinyurl.com/y5w6zd68>



**Think.
Share. Act.**

Think about what traditional or digital tools you are going to use to assist you to map out your plan for the Business Plan and Pitch.

- Share your ideas with a peer or the class.
- Decide how you are going to plan out your pathway.
- Start with the end in mind. Be clear what the final due date is and work backwards.
- Follow the 8 planning steps outlined above.