

SSweetco

Business Model and Activity File for

Business in Action

Third Edition

Bittel·Burke·Bilbrey



SSweetco

Business Model and Activity File

for Business in Action, Third Edition

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SSWEETCO: BUSINESS MODEL AND ACTIVITY FILE for Business in Action, Third Edition

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How to Use

This Business Model

and Activity File

SSweetco: Business Model and Activity File for Business in Action, Third Edition, is designed to allow you to participate in a number of lifelike situations. It introduces you to an experiential model of a business, SSweetco (the trade name for the Shenandoah Sweets Company, a candy manufacturing and retailing enterprise), the confectionery industry, and Valleyville, the home base for SSweetco's business operations. The people who work at SSweetco and the inhabitants of Valleyville—businesspeople and other professionals, blue-collar workers, and consumers—spend their time and energy earning a living and making a profit in the American way. They buy, sell, demand, challenge, succeed, and occasionally fail at these attempts. They are faced with difficulties and opportunities. In the activity file, which immediately follows the business model, you will work with them side by side, helping them to carry out some of their duties on the job, to solve their problems, and to make their decisions.

YOU CAN ACCELERATE YOUR EXPERIENCE

As you do the assignments related to SSweetco or the Valleyville business community, you will be gaining practical experience—and you will be gaining it faster and in a more concentrated fashion than you might ordinarily have the opportunity to merely by holding a job in business or industry. If you have never held a key position in business, you will have an opportunity to learn what such a position may involve. If you are working in the business world now, you will have a chance to sharpen your skills and to make mistakes and learn from them without penalty. Regardless of your background, you will be able to accomplish the following:

- Test your grasp of what you have read in the *Business in Action*, Third Edition, textbook.
- Deal with realistic management problems.
- Prepare and respond to typical business data and administrative forms.
- Follow routine marketing, manufacturing, financial, administrative, accounting, and personnel procedures.

- Analyze and prescribe solutions to business problems.
- Make operating decisions and see the results of your decisions.
- Test your ideas about human relations.
- Observe the increasing career opportunities for women and minorities in today's business setting.

BUILD A FIRM FOUNDATION FROM THE TEXTBOOK

This unique business model and activity file is designed to help you move forward from the basic concepts introduced in the textbook. It is not recommended that you try to solve the problems without first building a firm foundation from those basic concepts. As explained in the preface to the textbook, this business model and activity file can be used with your text to create a unified learning system. Therefore, in order to gain maximum benefit from this learning system, it is advisable that you read the textbook to expand your understanding of business activities. The structure of each chapter in the textbook is based on ten components. The ten components—pictographs, learning objectives, main headings and subheadings, key terms, tables and figures, Billboards, Action Briefs, Key Concepts, Review Questions, and Case Critiques—are discussed in detail in the preface to the textbook. An eight-step procedure for studying the program is also outlined on page viii of the text, "To The Student—Guidelines for Study With *Business in Action*," and will yield positive results if followed diligently.

FAMILIARIZE YOURSELF WITH THE CONTENTS OF THE BUSINESS MODEL

The experiential business model (pages S-5 to S-81 of this book) is based on fully researched data from the candy industry, so the situations portrayed are specific, rational, and realistic. The contents of the model—

presented as a data bank—have five divisions. These divisions are as follows:

■ **Part 1, Who's Who in Valleyville** illustrates a wide range of career roles in SSweetco and Valleyville for you to examine and try out.

■ **Part 2, Valleyville: The Community** establishes the interrelationship of businesses and other community interests. The community's organizations include sole proprietorships, partnerships, manufacturing and service companies, large and small corporations, regulated industries, public interest groups, and government agencies.

■ **Part 3, SSweetco** describes in detail the organization, product line, marketing and sales data, production process, layout, equipment, and financial information used by a small proprietorship in its struggle to survive and thrive in a highly competitive business. The SSweetco business model sets the stage for your later participation in the management of its day-to-day affairs and its long-term growth.

■ **Part 4, SSWEETCORP** reveals the way in which the scope and complexity of business operations change with SSweetco's incorporation and expansion into an enterprise of national and international proportions.

■ **Part 5, The Candy Industry** outlines many of the key aspects of this particular industry. It includes, often in original form, the kind of information typically available about an industry from government sources such as the Securities and Exchange Commission, trade associations, reference books, and industry publications.

WHAT YOU NEED TO KNOW IN ORDER TO USE THE BUSINESS MODEL

The business model is essentially a resource file or data bank to be studied and used in solving problems, making decisions, and analyzing cases in the activity file of this book. It will help you immensely in becoming well-acquainted with the personalities and the businesses involved in this file. On the other hand, you need not know or memorize any of the information in the business model. It is there mainly to feed your experience. You will, of course, be expected to find information in it relevant to problems in the activity file. Therefore, you will be expected to read all the material at least once. You should also use the detailed table of contents on pages S-2 to S-4 effectively as you search for relevant information.

A good way to prepare yourself for effective use of business model information is to follow these eleven steps:

1. First, skim through the entire business model file to get an idea of what is included in it. Take at least one half hour to do this.
2. Look at the portraits, and read the brief biographical sketches of all the personalities shown in Part 1, "Who's Who in Valleyville."
3. Study the maps of downtown Valleyville (Figure 4) and Valleyville's Standard Metropolitan Statistical Area (Figure 11), so that you get a feel for the geography of the area.
4. Carefully study SSweetco's organization, product line, production processes, marketing and sales data, and financial information. Spend about one half hour on this. Again, do not concern yourself at the start about the detailed charts and figures. You will be directed to them later on.
5. Carefully examine the material on the candy industry. Take at least one hour to do so. At this time, don't spend too much time studying the detailed statistical charts; you will be asked to look at them later on when you get involved with the activities and problems. You should complete the first five preparatory steps immediately after you complete your study of Chapter 1 in the textbook.
6. All data in the file in general—and in particular the information in Part 1, "Who's Who in Valleyville;" Part 2, "Valleyville: The Community;" and Part 3, Sections A and B, on SSweetco's organization and product line—will assist you in the study of Units 1 and 2 (Chapters 1 through 6) of your textbook.
7. Study Part 3, Section C, "SSweetco: Marketing and Sales," in connection with the in-class coverage of Unit 3 (Chapters 7 through 10) of the textbook.
8. Similarly, study Part 3, Section D, "Production Process, Layouts, and Operations" as your class covers Unit 4 (Chapters 11 through 14) of the textbook.
9. Study Part 3, Section E, "Financial Data" only as your class covers Unit 6 (Chapters 18 through 20) of the textbook.
10. Various materials throughout the business model will assist your study of Unit 5 (Chapters 15 through 17) of the textbook. The assignments for these chapters will direct you to specific tables, charts, and resource data.
11. Finally, study Part 4, "SSWEETCORP" of the business model before Unit 7 (Chapters 21 through 24) of the textbook are covered in class.

USING THE ACTIVITY FILE

The assignments that immediately follow the business model literally put you to work in the world of busi-

ness. Usually, you will be asked to put yourself in the position of a manager or key employee at SSweetco. However, you may also be required to function as an advisor to the manager of accounting, production, purchasing, marketing, finance, or personnel. Or you may have to fill the shoes of a businessperson or other public figure in Valleyville. Consequently, your career roles and business experiences will be rich and varied.

Because you perform so many roles, your assignments have been arranged according to two levels of difficulty. At the first level, you will be asked to apply what you have learned in the textbook to real-life situations. At the second level, your assignments broaden. Here you will be asked to demonstrate your ability to analyze operational and interpersonal problems, to interpret the significance of certain situations in relation to basic concepts in the text, and to determine underlying causes and make decisions as to how they can be most effectively solved.

You and your instructor may arrange beforehand the levels of achievement toward which you should strive. In some instances, attainment of a first-level goal is sufficient. With other material, second-level achievements may be required. Or you may choose to meet the first level of achievement now, and later on, after extended study on your own, you may be prepared to reach the second level. Generally, the two achievement levels call for demonstration of proficiency in various types of specific activities.

First Level of Achievement: APPLICATION

Generally, these assignments require you to make calculations from given data and information, to fill out administrative forms correctly, to complete and/or plot various tabulations, to sketch departmental layouts, and to construct diagrams and charts. The information necessary for solving these problems is usually provided in the problem itself, although in many instances, you will have to refer to data in the business model. Occasionally, you will be asked to use specific material in the textbook. Text Checkpoints preceding a series of assignments will provide you with convenient cross-references to the sections of the textbook where you may find additional information to help you solve exercises and problems. Obviously, the extent to which you will need to refer to the textbook will be an indication of how well you have absorbed the reading material in it.

Second Level of Achievement: ANALYSIS AND INTERPRETATION

These assignments are of two types: Problem Solving and Decision Making, and Cases in Point.

■ **Problem Solving and Decision Making.** These are critical problems created by situations in the business model. Some problems require you to put data in the form of tables or charts. Others require extensive computations. All ask you to deliver a firm decision as to the action that should be taken by management or other personalities involved.

■ **Cases in Point.** These present actual situations that have occurred in various business organizations, though the locale has been changed to SSweetco or the Valleyville business community. Each case tells of an acute business problem that requires an immediate solution. Often, there is the added dimension of a human relations dilemma in which two or more individuals are in conflict. Your task is to decide on the best way of resolving the problem. Five alternate solutions are usually suggested. You are asked to rank these in the order in which they appeal to you. You must also write out the reasons for your first choice and be prepared to defend your ranking system.

Performance Objectives

For each chapter in the activity file, a set of performance objectives is prescribed. They correlate directly with the assignments you perform and indicate specific things you should be able to do as a result of reading the textbook. They reinforce the learning objectives outlined at the beginning of each text chapter. However, they contrast with the learning objectives in the text in that they focus on the practical rather than the theoretical goals and outcomes of learning. In this sense, then, they come close to being true business competencies which one must develop in order to perform in the real world of business. They stress your ability to deal with "hands on" situations in business and to come up with effective courses of action. They also reflect the kind of performance that business expects from its managers and key personnel. If you meet these performance objectives, you will likely be better prepared to cope successfully with the real world of business.

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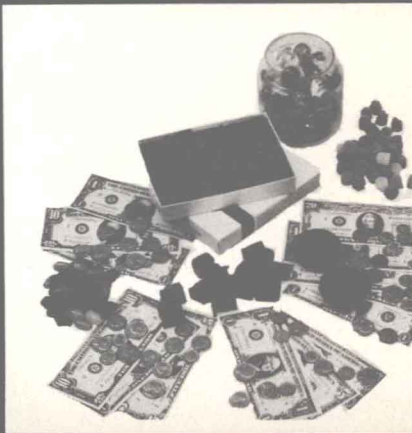
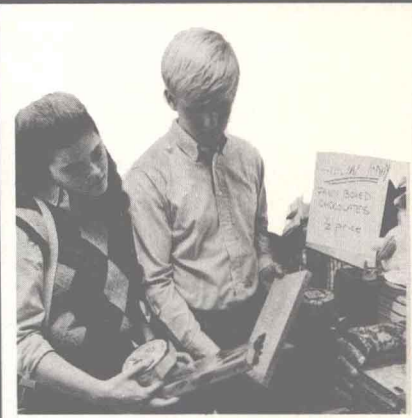
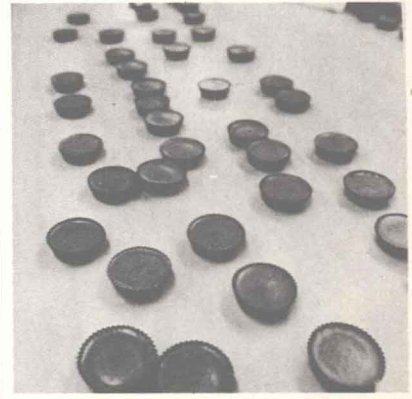
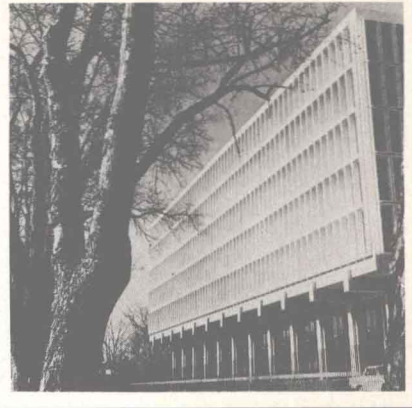
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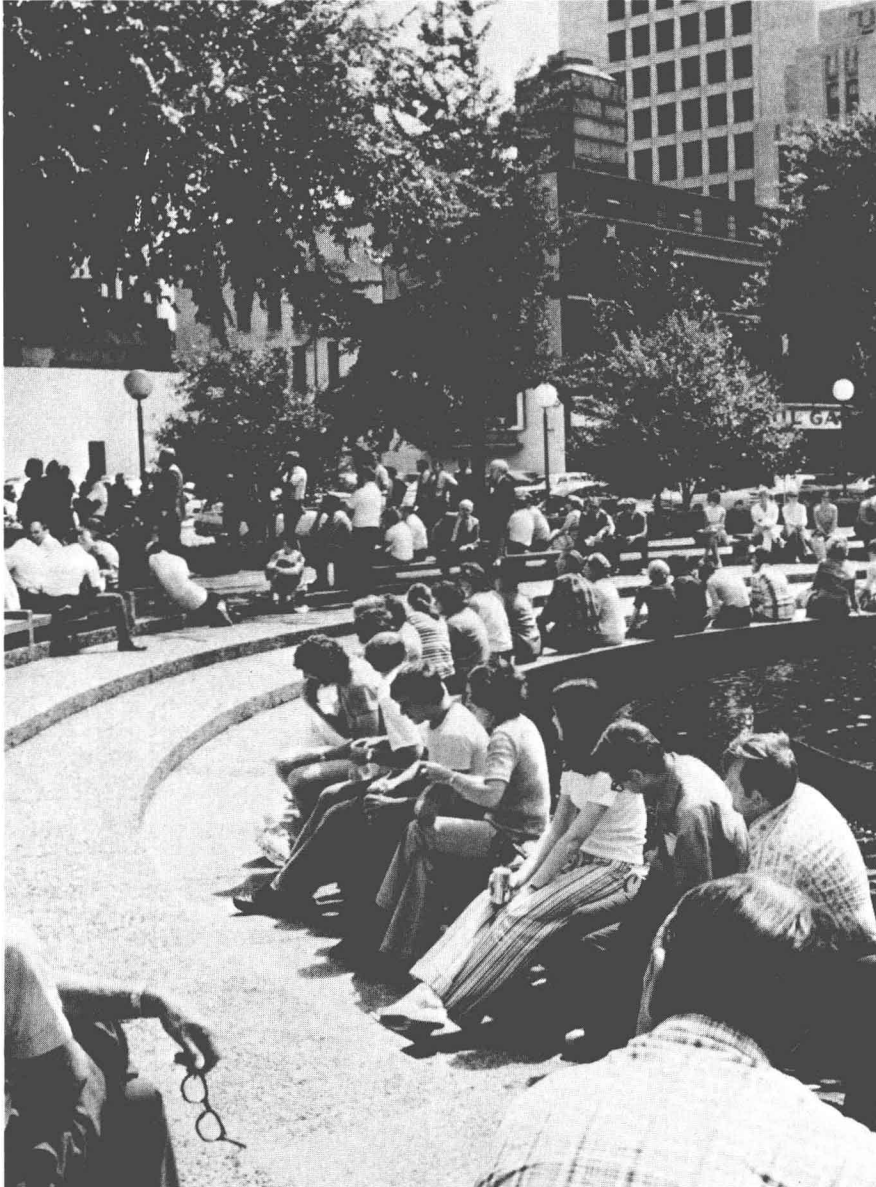
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Who's Who in Valleyville

Part 1



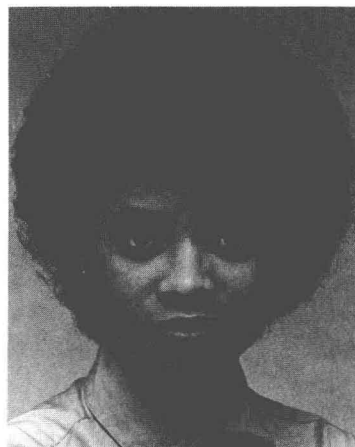
On the next few pages you will meet 17 important business people and citizens of the Valleyville business community and 15 managers and key employees of the Shenandoah Sweets Company (better known as SSweetco). Take time to become acquainted with them. You will soon have an opportunity to fill the shoes of many of them. You will try out some of the business theories and principles put forward in the textbook, and you will apply many of the business techniques outlined there. This is your chance to gain experience and to learn about more than three dozen business jobs.

FIGURE 1. PRINCIPAL VALLEYVILLE PERSONALITIES



Rick Chavez

Salesperson, ABC
Confectionery Supplies
Company, Inc.



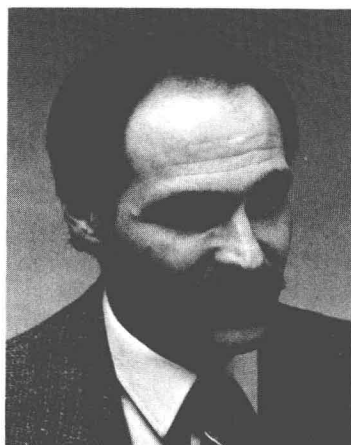
Bess Dorn

Credit manager, Valleyville
National Bank



Bob and Daisy Good

Coproprietors, Daisy May
Kettles (candy manufacturing
business)



Ken Eldridge

Independent insurance
agent, State Insurance
Company; president of the
Valleyville Chamber of
Commerce



Jane Foulkes

Volunteer worker,
Consumers Forever!

FIGURE 1. PRINCIPAL VALLEYVILLE PERSONALITIES (Continued)



Ginger Gordon

Owner and franchise holder.
Ginger Gordon Oil Company
(fuel oil distributorship)



Rose Kahn

Candy and specialty food
buyer, Southern Star
Department Stores



Peter Maxwell and Paul Hind

Partners, Pete and Paul
Cleaning Service



Louis Lobelli

General manager, Tri-State
Candy and Tobacco
Wholesalers, Inc.



Mary Maretta

Service representative,
TEPCO Electric and Gas
Company

FIGURE 1. PRINCIPAL VALLEYVILLE PERSONALITIES (Continued)



Sally McCann

Volunteer legal counsel,
Purity for the People, Inc.



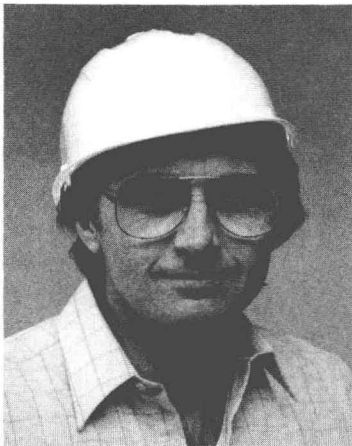
Joseph Motabu

Computer programmer,
Compu-Processors, Inc.



Hazel Root

Manufacturer's
representative, Candyman
Machinery Company



Lonnie Stone

Proprietor, Bluestone
Construction Company



Charlie Vernon

Proprietor, Vernon's Trucking

FIGURE 2. SSWEETCO PERSONALITIES



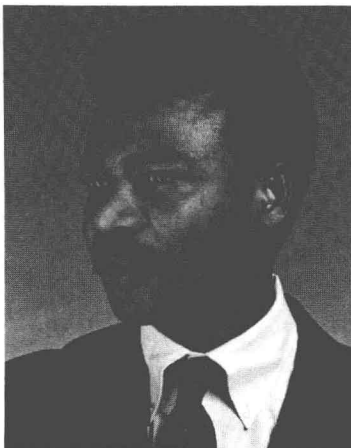
Mildred Parks

President and owner; college graduate (business administration degree); self-starter and entrepreneurial in character and spirit.



Herman Grundig

Production manager; graduate Apple Valley Technical Institute; 30 years' experience in candymaking



Ralph Jackson

Finance and accounting manager; accounting degree, Apple Valley Community College; 2 years' experience as bookkeeper, 5 years' experience as accounting manager



Rae Chapman

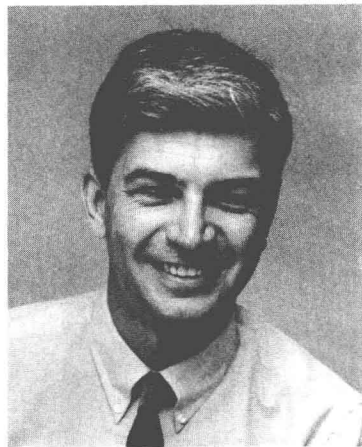
Marketing manager; marketing degree; Apple Valley Business Institute; 5 years' experience as wholesale candy routeperson



Helen Zimmerman

Purchasing and inventory control manager; graduate of Apple Valley Community College; started career as assistant to Ralph Jackson

FIGURE 2. SSWEETCO PERSONALITIES (Continued)



Gary O'Brien

Administrative assistant;
business administration
graduate, State University;
started as general clerk 3
years ago



Dottie Dell

Secretary-word processing
technician; secretarial studies
graduate; Apple Valley
Business Institute; 2 years'
experience as typist, secretary,
and word processing
technician



Alice Caruso

Accounting clerk; accounting
degree, Apple Valley
Community College; mainly
summer work experience



Van Vorch

Chief cooker; 2 years' of high
school; 25 years' varied
experience



Ramon Ruiz

Chief processor; management
graduate; State Junior College;
9 years' experience on most
candy processes