



The Allan Gray Entrepreneurship Challenge

Module 4 Teacher's pack

Module Video



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It's about to get intense!

The previous module's exciting activity has brought us to an even more intense stage of the Challenge as we prepare to enter Module 4.

We are really upping the ante in this module, as we introduce learners to the concept of competition.

The basics

As always, before we begin, let's run through some important admin and our modular 'must-do's'.

The **classroom sessions** you have with your learners every module - preferably taking place every Monday - continue to be paramount. This is your opportunity to foster that essential teacher-learner connection while you ensure they are comfortable with the content. Use this time to field their questions and ask your own.

The **weekly staffroom sessions** with your fellow teachers are equally important. It's a good idea to discuss how they can integrate material from the Challenge into their daily lessons. You may also wish to point out areas that the players may grapple with, and where they may need extra assistance.

We hope that you are finding this a rewarding experience - after all, it is an excellent opportunity to learn about entrepreneurship while also contributing to the development of this field in South Africa.

Recapping the previous module's play

The past module presented a pivotal moment in gameplay, as the launch of players' Go To Market strategies saw them shift their focus from internal operations to external markets.

One of the biggest developments during the module was the Board's presentation of **revenue targets**, which players were expected to meet when they opened their stores for eight minutes.

- In order to reach their targets, they first had to create awareness of their offerings. This meant they had to **launch marketing campaigns**.
- This presented an opportunity to introduce some crucial concepts, such as the differences between strategic and tactical marketing and **the 4Ps of strategic marketing**.
- Learners also had their first experience of the concept of **opportunity cost and managing scarce resources**. Because they had a very limited marketing budget, they came to understand the necessity of maintaining a tight focus; and that honing in on one market inevitably means that less attention can be given to another.





- To help them decide which market segment to focus on, **we introduced them to data.** We explained that this is an integral part of Evidence Based Marketing, which helps companies make their decisions around marketing on firm facts rather than subjective emotions.
- With the data represented graphically, as pie charts and bar graphs, players were required to **interpret the information** and then use it to formulate their marketing strategies.
- Through these activities, **players developed a simple understanding of economics.**
- The success of these strategies became clear once the stores were opened and **players either saw their revenue grow or decrease.**



The module ahead

Now that the players have established that their businesses are viable and able to generate profits, it's time to enter the next phase: growth. We're particularly excited about this module's gameplay because it sees the companies slowly start to exit the start-up stage of the lifecycle as they start to scale up.

- The introduction to competition will be gradual: during this module, players will be given **more revenue targets.** These targets are extremely ambitious, and the players will soon realise that they cannot be attained through marketing alone. It will be necessary to find another strategy.
- As they consider possible strategies, they will become familiar with rival businesses offering products similar to their own. Players need to realise that since consumers are able to choose between both brands, they have to provide a **compelling reason** to make them choose their own. Will they make their product more attractive by reducing its price, adding more value, or even increasing marketing activity to make it more visible?

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A product can be made more attractive by reducing price

- Another option is to **consider acquiring the rival company**. This means that they will have access to a second pot of revenue as well as a second brand, which may well boost their overall business. On the other hand, it's possible that the acquisition may not be a good idea, and that they will lose money as a result. This will compromise their viability and have a significant impact on their standing in the game, so it's important that they discuss their choices with their CFOs and pay close attention to the close seeded throughout the game.
- Classroom activities during this module should be aimed at helping your learners **consolidate their understanding of competition**. You can do this by hosting discussions around concepts such as pure competition, monopoly and oligopoly.
- Since this module's gameplay entails an **exploration of rather complex concepts**, please make sure that the teachers who are part of your entrepreneurship coalition are prepared. The EMS and economics teachers, in particular, may wish to dedicate some time in class to explaining competition. The accounting teacher should also be prepared to introduce learners to the PNL (balance sheet); perhaps by showing them what a PNL for a small business typically looks like. Make sure they understand concepts such as line items, too.

Coming up in Module 5

As may be expected, gameplay is at its most challenging during the final module. At this stage, we'll see the players' businesses come full circle: from starting out as a small enterprise, they are now ready to be listed as public companies as they prepare to make their Initial Public Offering.

Enquiries

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