**SMALL BUSINESS MANAGEMENT Task brief & rubrics**

**Task**

* Description: Individual task
* Submission format: Report
* **Tasks you are required to perform**

**You are asked to develop and write a report to assess the following case study about the children’s party market \***

The children’s party market is no jelly and trifling matter. “It’s a huge industry,” Tim Jenkins writes after his interview with Amanda Frolich from Amanda’s Action Kids. According to Frolich, “People spend an absolute fortune on their children’s birthday parties and fortunately the recession hasn’t affected our business.”

Like Paul Lindley, founder of Ella’s Kitchen, who used his parenting experience to launch a successful start-up, the party business with low barriers-to-entry sees numerous parent small business concepts. Michelle Hill incorporated her own party business called The Land of Make-Believe after spending hours creating props, themed food, and thinking up games suitable for her five-year-old son’s shared birthday party. This birthday spectacular experience helped her identify a clear gap in the market.

According to Tim Jenkins, a modest £50 party spend per UK child equates to an annual £35 million for a single school-year group. With £250 not untypical for an outsourced party service, it is easy to value the industry in the hundreds of millions.

The Land of Make-Believe party concepts include themes for cheerleaders, pirates, and fairies; cowboys and Indians; witches and wizards; Fairy Godmother, Teddy Bear picnic, glamor, and Grease the musical with Pink Ladies and T-Birds. Party concepts that tend to appeal more to boys, perhaps relying less on dressing up and dancing, include club energy sports, go-karting, football, army games, reptiles and pets, and fire engine–themed parties. Leisure venues also offer some stiff competition with swimming pool visits, laser quest, bowling, cinema, and restaurant visits also popular. Business Model Essentials Successful party concepts need a certain “wow” factor that is popular with the children, but also satisfies parents’ social needs too. Thus, it is important to also consider appropriate services for parents. Maslow’s hierarchy of needs framework perhaps offers some useful cues: shelter, comfort, psychological self-actualization—be that social linger space, self-service hot beverages, a glass of wine, or a latte bar. Party providers need to balance novelty with tried and tested formulas, perhaps offering evolving theme linkages that might anticipate new film releases, particularly sequels. They look to reduce parental hassle with branded off-the-shelf invitation cards and party bags that appeal particularly to cash-rich, often time-poor, parents. Entrepreneur.com neatly summarizes the party service offering: “You’ll plan the theme, provide costumes (unless guests arrive wearing their own), décor, food, favors and other assorted goodies, entertainment, and clean up afterward so parents can enjoy the festivities instead of running themselves ragged.”

The business model usually has relatively low start-up costs—a website and a telephone number will generally suffice. Wardrobe, props, and base supplies are not insignificant items and should be carefully considered in financial planning. There is some wide variation in the complexity of offerings in the sector from a light touch and self-contained entertainer magician or comedian whose equipment might be limited to a costume, a music system, and some props that fit into a large suitcase or two to the full-service party-planning-solution provider offering a venue, full catering, the all-important candle-covered cake, decorations, and party bags. Three core components are required for a successful party operation, namely venue, catering, and entertainment. Fixed costs can be kept low, but are dependent on avoiding the purchase of a specialized vehicle and/or long-term premises by using a client-arranged venue. Children’s party planning is clearly not a job for someone craving regular Monday through Friday, 9 a.m. to 5 p.m. hours. The ability to successfully interact with children and their parents, balancing controlled fun and calm authoritativeness, is particularly important but often rather taken for granted.

**Marketing Communication Angles**

A reputation for running successful parties is crucial to stimulate positive word-of-mouth referrals via parental social networks, accentuated by frequent contact at school pick-ups and drop-offs, but also on social media, and in particular parenting website communities such as mumsnet.com, which offers local listings, discussion boards, and advice-based content. In addition to successfully hosting enjoyable parties, which should drive positive referrals, a number of low-cost marketing activities can be implemented to help generate future bookings such as

* Arranging to share a business card or small colour flyer via the party bag that is often given to departing guests.
* Posting flyers at local clubs and church halls.
* Advertising in directories (telephone and web).
* Donating a free party to a school/community charity auction.
* Writing advertorial content accompanied by strong images in the local press (note parental permission and ethical issues around publishing photos of children).
* Creating a website and social media presence on key sites.
* Performing at community group/school events.
* Printing car stickers to build brand awareness and share web and telephone contacts.

**Rugged Earth Adventures**

One ex-army officer’s start-up inspiration led to a birthday party business centered on a military outdoor adventure theme. Having experimented with a number of temporary locations, the business finally settled on a large piece of underutilized agricultural land that comprises a mix of scrub land, combined with lines of commercially unsuccessful shrubs and trees.

The customer segment that this business proposition appeals to is mostly parents of boys—approximately 75 percent of participants are male, aged between 6 and 10 years. The children participate in a two-hour party that sees them run around outside in a natural environment. Issued with a foam bullet Nerf gun and protective glasses, participants are initially put into two teams, jungle versus desert, utilizing authentic British army terminology. A second game, the less frenetic snipers-and-seekers, is a form of hide-and-seek using realistic camouflage costumes. Then the young people are carefully instructed on how to thoroughly cook their own sausage, which is served as a hot dog, and the party concludes with toasted marshmallows. During one of the well-timed rest periods, a picnic basket is offered to the participants around the campfire with a variety of foods—an array that is low in chocolate and big on fruit and vegetables, which is appealing to parents, but it also includes less healthy but popular cupcakes and crisps. With overprotective parents, toy guns that fire projectiles, and an open fire, the safety briefing is taken very seriously and uses a highly authoritative army style. Children are regularly reminded about safe behavior requirements around the fire pit, particularly when wearing flammable costumes. Compliant use of safety glasses is paramount, with regular and direct reinforcement of the safety rules taking place. Hosting and supervising parents are made to feel at ease, provided with access to self-service hot and cold drinks and a place to perch. An informal satisfaction polling takes place just prior to the end around the campfire; positive responses are anticipated, thanks to a fairly simple formula that is well executed. The opportunity afforded to parents to relax while watching a group of children enjoy a totally stress-free afternoon is actually quite enjoyable. The business income comes predominantly from weekend parties, with the current site offering a capacity of three or possibly four parties per day. Each party can entertain 10 to 24 young people and costs between £120 and £295 (£12 to £20/child, excluding cake and party bags, which are £5 per child extra). Activity days, attractive for dual working parents, are also offered during the Easter and summer school holidays, priced at £26 to £34 per day. The revenue generated covers operating costs after a very short operational period.

Case study from

Hatten, Timothy S.. Small Business Management (p. 305). SAGE Publications.

**Please prepare and answer the following questions about this case study:**

1. Currently the business strategy is to run one location. What might be the advantages and disadvantages of adopting this strategy to multiple sites?
2. Is the cost and effort of legally protecting the company’s intellectual property a worthwhile investment?
3. Given the existing facilities and staff capabilities can you identify additional product/ service offerings?
4. Critically assess the proposed low-cost marketing activities for enhancing the generation of the future bookings and the brand awareness of this small business
5. Would you invest in a business like this? Provide reasoning
6. What additional revenue and market opportunities might the business investigate?

**Your analysis and answers should be through and include concepts, theories and methodologies studied in class**

\*Hatten, Timothy S.. Small Business Management, 2018

**Formalities:**

* Wordcount: 2500 words max
* Font: Arial 12,5 pts.
* Text alignment: Justified.
* The in-text References and the Bibliography have to be in Harvard’s citation style.