

# The Business Empowerment Course

## Course 1: Business Behaviours

### Handout 3

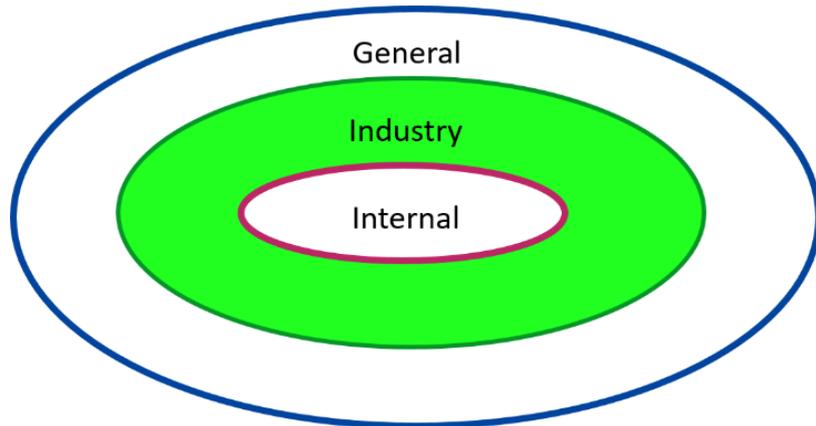


**The MBA Academy**

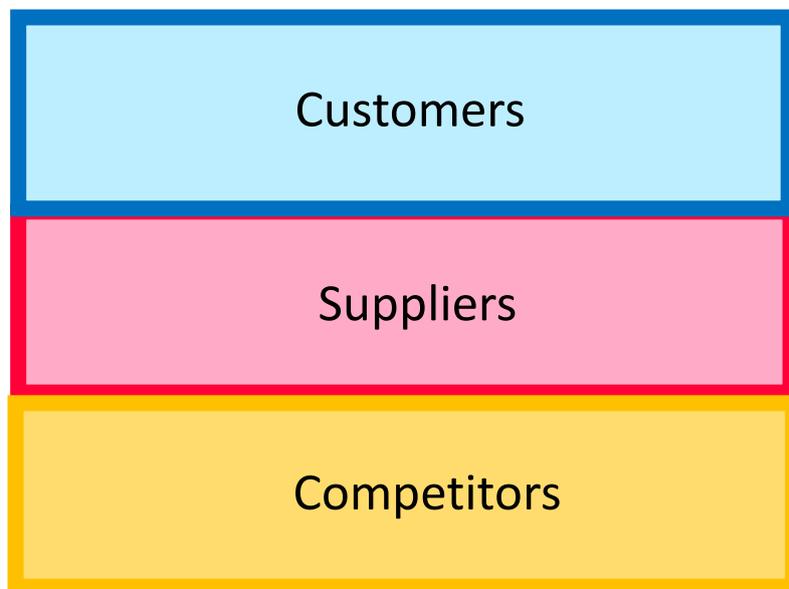
Empowering People by Making Business Accessible

**The Business Empowerment Course**  
**Course 1: Business Behaviours - Handout 3**  
**Chapter 1**

In the previous handout we began to look at the Industry Layer.



We saw that this consists of a business's Customers, Suppliers and Competitors.



We focused on Customers and highlighted the importance of a business understanding the needs of its customers.

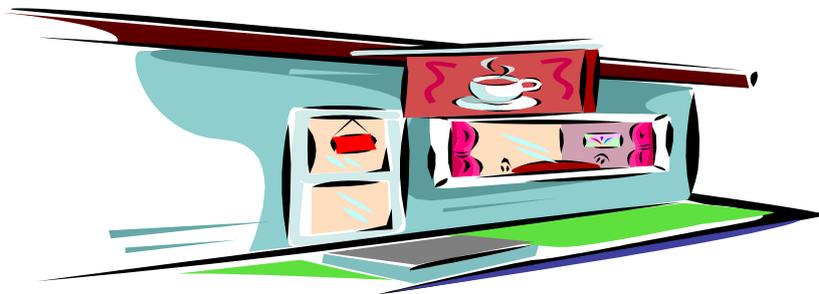
In this handout we will focus on **Suppliers** and their relationship to the **Customers**.

## Chapter 2 – Suppliers

# Suppliers

In order for a business to produce its products or service it will need to buy certain materials, equipment and other resources from its suppliers. Therefore, suppliers provide a business with what it needs to be a success.

Let's use a **high street coffee shop** as our example.



A high street coffee shop will be reliant on certain suppliers. For example, it will rely on suppliers for its **coffee beans, cups and milk**. It will also rely on suppliers for its **coffee machines** and its **furniture** such as tables and chairs.

Because a **coffee shop** will have to pay rent to its **landlord** to use its premises, the coffee shop's landlord will also be a supplier.



The coffee shop will also use electricity so the **energy company** that provides this will be a supplier.

Finally, supply also includes the supply of labour. Therefore, another supplier to a high-street coffee shop will be its **employees**. Employees supply their energies, skills and talents.



Therefore, the **suppliers to a High Street Coffee shop** will include:

1. Suppliers of **coffee beans**
2. Suppliers of **cups**
3. Suppliers of **milk**
4. Suppliers of **coffee machines**
5. Suppliers of **furniture**
6. Suppliers of **electricity**
7. The coffee shop's **landlord**
8. The coffee shop's **employees**

## Exercises

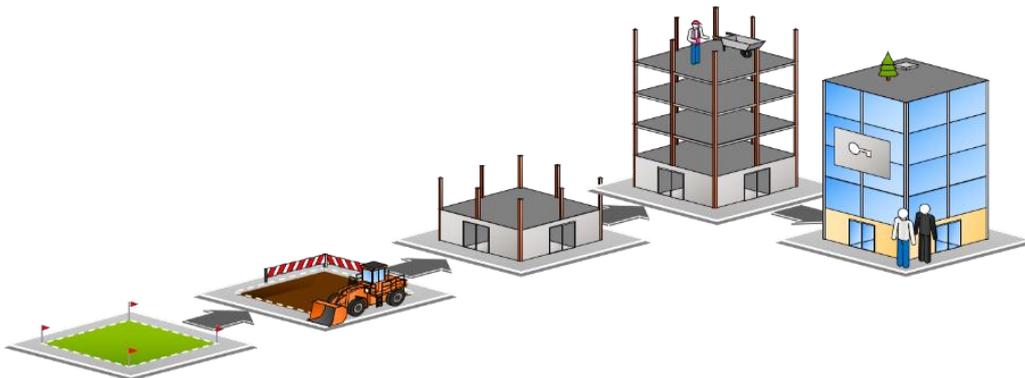
Try and list the suppliers to a **Fast Food Restaurant**.



Try and list the suppliers to a **gym business**



Try and list the suppliers to a **construction site**



If you have your own business idea try and list who the potential suppliers might be. Don't forget to include the staff members that you might need to employ.

We can start to see that every business will have a wide variety of suppliers.

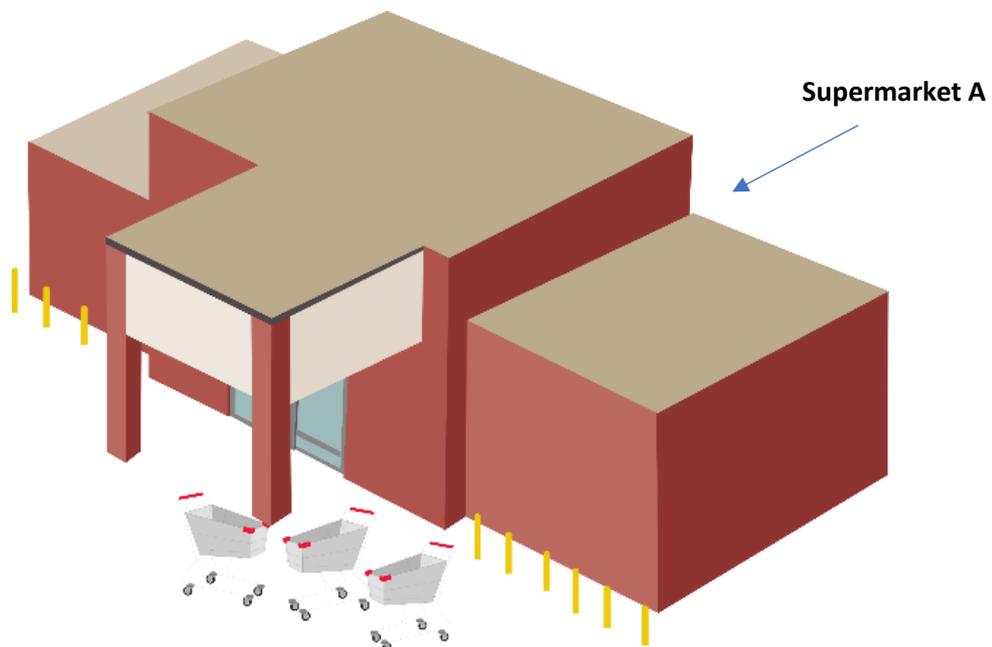
### Chapter 3 - The Relationship between Customers and Suppliers

The previous handout highlighted that a business should identify the factors that are important to its customers. The different factors that are important to the customers are referred to as the **Customer Needs**.

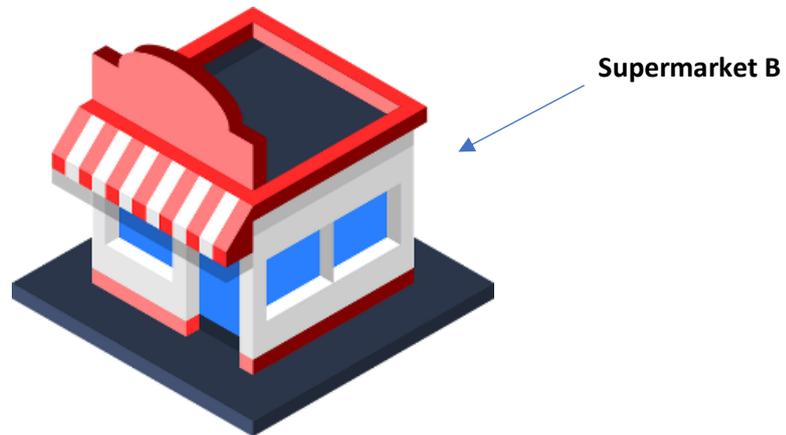
Different businesses in the same industry tend to focus on different customer needs.

For example, the Customer Needs in relation to a **supermarket** might include: Price, Quality, Variety of foods and drinks, Store Location, Opening Hours, Parking Availability, Store Layout, Staff Helpfulness.

One supermarket (let's call it **Supermarket A**) might focus on selling food at the cheapest price possible. It might locate itself out of town and provide a huge store with a wide variety of products and with lots of parking availability.



Another supermarket (let's call it **Supermarket B**) might choose to only sell high quality organic food. It will be less concerned about selling low price food. It might be located on the high street in the city and have small store with limited parking.



Because Supermarket A and Supermarket B prioritise different customer needs, they will have different suppliers.

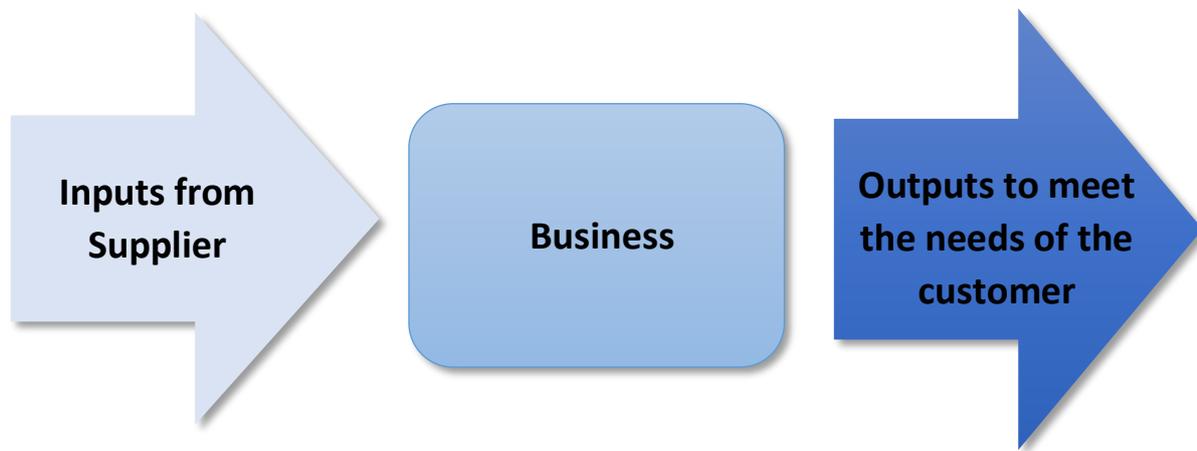
For example, Supermarket A will probably rely on different suppliers for its food than Supermarket B. They will have different landlords. The type of staff they employ will probably be different.

We can start to appreciate that there is a relationship between the Customer Needs a business prioritises and the Suppliers it chooses.

## Chapter 4 – Business as a Transformation System

A business can be thought of as a **transformation system**.

Every business takes **inputs from its suppliers** and transforms those inputs into **outputs that meet the needs of its customers**.



Therefore, in order to create the right output, the business needs the right inputs.

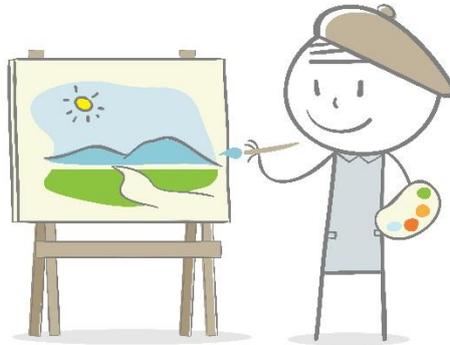
This is not only true in business, it is also true for individuals. Just like businesses, individuals must always ensure that the inputs they choose (which can include what they think about, read about and who they allow themselves to be influenced by) are consistent with their intended outputs.

For example,

- An athlete who wants to win Olympic gold at gymnastics (the output) will have a different diet, a different trainer and a different fitness regime (the inputs) to a long-distance runner.



- An artist who wants to paint country landscapes (the output) will require different surroundings and different paints (the inputs) than an artist who wishes to sketch cityscapes.



- An individual who wants to become a leading chef (the output) will spend their time reading different books and will be involved in different activities (inputs) than a person who wants to be a film star.



**Question:**

If someone wants to become successful in the business world (the output) what inputs do you think they would need personally to achieve this? For example, what types of books should they read? What sort of people should they allow themselves to be influenced by? What should they choose to spend their time thinking about? What other inputs might be relevant?

Consider your own long-term goals. What inputs would be required to achieve these? What should you read? What should you think about?