

BUILD-A-BUSINESS PROJECT

HRM 1101 – Section 002

Welcome to the Build-A-Business project! You are going to build a business. A new company. It will be a fictional company but it will be completely designed by you and your team – and it will help you apply the many concepts we learn in class.

OBJECTIVE

The objective for your team is to create a subsidiary company that is owned and controlled by a parent company.

The subsidiary that you create should operate in the same industry as your parent company but should offer products and services not currently offered by the parent company.

Your subsidiary will be a public company, just like your parent company, that trades on the stock exchange and uses money from investors to get started. Your subsidiary company cannot be a private company or a non-profit.

A list of possible parent companies appears below. These are just suggested companies. If you want to choose another company to be your parent company, that's ok. It just needs to be a well-known, public company.

Possible Parent Companies

Campbell Soup	GlaxoSmithKline	Netflix
Costco	Google	News Corp.
Disney	IBM	Nike
Exxon Mobil	JP Morgan Chase	Starbucks
Ford	LL Bean	Tiffany's
General Electric	Marriott	Wegmans

GETTING STARTED

Each team will rotate leadership responsibility among all team members. Each phase's leader is responsible for pulling the team together, ensuring that everyone on the team participates and submitting the weekly team contribution. If you have seven people on your team, please decide how you are going to divide up that leadership role. EVERYONE on the team should have at least one leadership role or co-leadership role for one of the five phases of the project. It is up to the team to divide up that responsibility. Everyone in the class will be completing self-peer evaluations to make sure that everyone is contributing to this project. Your peers on the teams will be grading you and their input will be completely confidential and will absolutely count toward your final grade in this project.

For the most part, we'll be completing these tasks during class time. However, if your team cannot complete the required work in class, you'll need to decide how you want to work together to complete the project. Do you want to work virtually? Or get together live as a group to discuss

issues? Do you want to meet weekly? Twice a week? Or every two weeks? It's entirely up to you.

WORKING ON THE PROJECT

Use the template below to complete your project. The template contains many of the basic building blocks of any organization -- Mission, Values, Leadership, Culture, etc). Work with your teammates to review the template, discuss the various sections and then complete each section. Take your time and complete the template carefully.

Note: We have already covered some material in class that will help you get started with the template – topics such as Culture and Leadership have already been covered in class or will be shortly. We'll cover other topics that appear throughout the template during upcoming classes. So, you can start working on your template now and continue to populate the various sections of the template as the course proceeds and you learn more about the business world.

You can access the template in Blackboard. Each team's completed template will be uploaded to Blackboard.

PROJECT TIMELINE AND DEADLINE

You can begin working on your project NOW. **Your completed template must be submitted NO LATER THAN Friday, November 18.**

GRADING

Completed templates will be graded based on several factors:

- The quality of the ideas expressed throughout each section of the template
- The creativity you and your teams applied in creating a new business
- The quality of writing.

Projects submitted after the deadline of Friday, November 18, WILL NOT BE GRADED.

The project is worth a total of 100 points.

A team of business experts and alumni will review all of your submissions. The top five teams will receive extra credit points for their members. Each member of the top five winning teams will earn 20 extra credit points. In addition, the top five teams will present their ideas in class on Thursday, December 1. The team submissions for the top five teams will be judged by a panel of business people and alumni. The winning team will each also win a monetary prize in addition to the extra credit mentioned earlier.

QUESTIONS

If you have any questions about the project, contact Professor Nelson, Professor Houldin or our TAs – Ian Usher and Maeve Sears.

GOOD LUCK!

**BUILD A BUSINESS TEMPLATE
HRM 1101 – 002/006**

First Row To Success

PHASE	TEAM LEADER(s)	STUDENT ID #
1	A) Nicole Marino	915365776
	B) Carla Magnus	915358316
2	A) Taylor Zubkousky	9153593001
	B) Anastasia Postolati	915425377
3	A) Saud Alharbi	915421018
	B) Dina Ali	915446664
4	A) Nicole Marino	915365776
	B) Saud Alharbi	915421018
5	A) Owen Lockman	915343788
	B) Yousef Almusallam	915405992

TEAM MEMBERS	STUDENT ID #
1) Carla Magnus	915358316
2) Anastasia Postolati	915425377
3) Yousef Almusallam	915405992
4) Saud Alharbi	915421018
5) Taylor Zubkousky	9153593001
6) Owen Lockman	915343788

7) Nicole Marino	915365776
8) Dina Ali	915446664

PHASE 1

THE COMPANY

Give your company a name that captures the essence of your business. Make it memorable.

For Students By Students (FSBS)

LOCATION

Where will your company's headquarters be located? What will your offices be like – traditional offices like the old GSK model or an open work environment like the new GSK offices at the Navy Yard? As you think about this, try to answer these questions: What do you want your employees to feel like at work? What kind of vibe will people feel working at your company?

The headquarters of FSBS will be located in Philadelphia, Pennsylvania. A non-traditional, open environment will be our main focus in order to allow the employees space to express their creativity throughout the office. This company is geared towards appealing to a diverse array of college students. Every college differs in apparel and target market; therefore, the headquarters will have specific offices to focus on each specific college in which a store is located. Each office in the headquarters will be decorated in spirit of each specific college we represent. This will create a unique, innovative community in order for the employees to feel apart of the college spirit while working. For example, the students attending Temple University in North Philadelphia have a different style compared to students who attend San Diego State University in San Diego; therefore, the headquarters must be able to have different teams working for these separate universities in order to make the store appeal to the students at that specific university. During the week, each team will meet in the common room to exchange their new ideas to the other university teams. The university teams will give each other feedback and constructive criticism in order to improve store quality at their university. This allows the teams to work together and create an innovative environment. We believe that it is important for every single employee working in our headquarters to be able to express their voice and opinion in order to improve our business as a whole.

CULTURE

Describe your company's culture – is your organization built around teamwork and

innovation? Are people encouraged to step out of the box and think of new and better ways to do everything? Is your company dedicated to the relentless pursuit of customer service? How do you want to go about your business and live and work together every day?

The organization is built around teamwork and innovation, the main goal is to find different ways to help students. In order to do this the people in the company are encouraged to step out of the box and brainstorm new ideas that would make a difference in College students lives. To do so, employees will visit each campus with our branch and ask customers and clients for suggestions, recommendations and, improvements to make the store more appealing and helpful to the students. Additionally, there will be a meeting once a week where customers can visit our headquarters to directly recommend to our corporate employees to try and figure out the best way in which we can make their store easier for them. In order to fuel creativity we will install days in our monthly schedule where employees can work on anything they want and we will listen with open ears. Open communication is key to our company's environment. The dress code at our headquarters will be professional business attire, but on Friday's we will have a casual spirit day where employees can represent their universities. At the stores on campus, employees will dress in that specific universities spirit wear. Our company's culture is set up in a way to make a change in the lives of all College students.

LEADERSHIP

List the two most influential people who will lead your organization. Since your company is a fictional one, choose two leaders – living or dead – who will guide your company. These leaders could be from the business world or from other walks of life. What kind of leaders are they? What makes them special? What qualities distinguish them? Why did you choose them?

The two leaders chosen for this company are Bill Gates and Malala Yousafzai. These two people provide characteristics which will lead the company into excellence. Bill Gates made use of something that never existed before. He started a business that thrives on innovation. He has a vision to make business grow. Bill Gates was transformational, determined, passionate, and unique. He lived in a world that was in the spirit of being who you are and expressing those beliefs. This company thrives on the youth individually expressing themselves. Gates will lead the company through an era of innovation. Malala Yousafzai is a woman from Pakistan that fought for women's education. Throughout her journey, she was shot in the head and survived. Her strength, compassion, and perseverance will give this company faith. She knows the struggles of being able to obtain a good education. For many, their financials state is an enormous problem that prohibits them from attending a university and receiving an education we all deserve. This company will provide college essentials at an affordable price. Malala Yousafzai will ensure these values are kept true. She has a determined mindset to ensure this company will stay true to its vision and mission statement.

BOARD OF DIRECTORS

Choose four or five executives – these could be people – living or dead – who currently lead or who led other companies. What specific skills and expertise do you need for your Board. Do you need people with a financial background or a marketing background or a communications background or a scientific background? Answering these questions will determine who you choose to serve on your Board.

- 1. Kevin Hart (Personal Relations/Temple Alumni)**
 - a. As a living celebrity, Kevin Hart will be able to provide media attention to the general public about our company. Since Kevin Hart is a well-known comedian, viewers will respond well to his personality and will become initially interested in what he has to say in order to find out more about FUBU. Also, as a Temple alum it would be especially important to have Hart represent us fellow Temple University students.**
- 2. Warren Buffett (Investing)**
 - a. Warren Buffett, one of the most successful leaders in the world and CEO for Berkshire Hathaway is what we would call a large “investment” for the company. Having Mr. Buffett on the board will provide us with much knowledge and wisdom in order to increase our company's financial state so we are capable to achieve our main goal of giving back. It is important for us to invest and in order to do so successfully having these key investment skills is important.**
- 3. Peter Drucker (Managing)**
 - a. The leader in management education, Peter Drucker is no doubt an excellent asset to our Board of Directors. He is known as the founder of modern management and will help us in our journey to successfully manage a new group of people. Leadership is very important and ensuring that we have the proper style of managing people will make all of the difference.**
- 4. Daymond John (Entrepreneur)**
 - a. Mr. John is an American Entrepreneur, investor, author, motivational speaker, and most well known as tv personality on the show Shark Tank. Daymond Green knows the ins and outs of new and upcoming entrepreneurs who need help developing their company. He will be very beneficial on our board to guide us as entrepreneurs new to the game. Daymond Green has been advising entrepreneurs for more than seven years and has the wisdom to lead us in the right direction.**
- 5. Oprah Winfrey (Public Responsibility)**
 - a. Who would not want Oprah Winfrey on their board of directors. Other than being one of the most influential women in the world, Oprah is a philanthropist for education who founded The Leadership Academy for Girls in Africa. With a member on the board so dedicated to the importance of education and helping us to fulfill our philanthropic duties as a company there is nothing that can stop us from working our hardest to provide assistance to students.**

PHASE 2

MISSION & VISION

In a brief paragraph, describe your company's Mission and Vision. Think about the great mission statements from Merck and Sony that we covered in class.

Our company's main mission is to provide opportunities to all that will allow them to acquire what is needed to be successful throughout their college career. Inclusivity is key in order to adhere to the varying financial backgrounds of our customers.

Our vision is to bring For Students By Students to universities nationwide in order to continuously prosper and find ways to make the college experience easier and more affordable to students everywhere. As a company, we will strive to thoroughly search through every product we sell, reduce stress levels of the university students, and help them purchase what they need without breaking the bank.

PRODUCTS AND SERVICES

Describe the kind of products and services your company aims to deliver to the marketplace.

For Students By Students (FSBS) will bring a diverse selection of products such as school spirited clothes, textbooks and books, electronics, dorm necessities, bikes, skateboards/longboards, and tickets to various events: anything students bring in to sell. Our store will help students find pretty much any item they need for their college life for a low price. The motto of FSBS will be: "Get used, make it look new, and give it to you"! The business will also feature a simple-to-use, modern, and up-to-date website where customers can look at the availability of products.

Monthly, the store will present an event under the title "Monthly Trade Festival" where students are able to rent a table for their goods for an affordable price in order to become an individual seller. The event will take place during daytime and have food, drink, and music in order to promote social interaction.

Additionally, FSBS will offer jobs, internships, and volunteer positions for students in order to help them to gain professional experience before graduation. The business will also have a Leadership Program for students with a small reward that will be similar to Work & Study that already exists at Temple University. The program will offer students a chance to be recruited to work at FSBS after graduation.

Finally, if products have been in the store for more than 2 months, FSBS will donate them to the Greater Philadelphia Area in order to help the community that the business will be fostered in.

COMPETITORS

Who are your competitors? Do they offer similar products and services? Do they operate in the same markets where you intend to operate?

For Students By Students (FSBS) has a large number of competitors, but the following companies do not provide services solely for the “broke college student”. In Philadelphia, Buffalo Exchange (Center City) and Philly AIDS Thrift are two similar stores that sell discounted clothes and accessories within a short distance. Nationwide, Plato’s Closet, Goodwill, Marshalls, Ross Dress For Less, and TJ Maxx are other examples of stores that are similar to For Students By Students (FSBS). Within the online market, Ebay, Amazon, and Craigslist are additional companies that sell their discounted services and shipping within a short period of time. For Students By Students (FSBS) is truly different than these companies due to the fact that it used spirit wear and accessories provided by fellow students.

VALUES

List four or five values of your company – these values will guide your organization and help create your company’s culture. Your values should describe the way your company will live and work as an organization. Values are something that you should care deeply about and that guide all of your actions. Since your company is a subsidiary of the parent company, your values likely will be similar to the parent company’s values.

Our 5 main core values will be quality, organization, customer service, teamwork, and integrity. Quality will be our priority since there are many problems with thrift stores having good products and our business will strive toward a strict established quality control system. That is where customer service also becomes a value. FSBS will focus on assisting our customers in the best way possible by providing a variety of products and superior customer service. FSBS will concentrate on being an organized “thrift” store which will make the business stand out from other, less organized stores. We will work in teams to produce the most innovative ideas for our company’s future and the best solutions to problems along the way. Finally, integrity will also be one of FSBS’ main focus to assure the company is following rules and is honest with customers in order to stay up to date with today’s fast-paced world and to take care of our customers.

PHASE 3

ORGANIZATION STRUCTURE

Besides the CEO, what are the three or four most important jobs in your organization – roles that your company simply could not operate without? Is it the CFO? The head of R&D? The VP of Marketing? Communications Leader? Chief Innovation Officer? HR Director?

As a thrift shop, marketing and sales are going to be the two most important positions in our company. We need to have people in our company that can sell our ideas and products to the people. As a company that is built on serving students and making their lives better and simpler, customer relations are very important. It is also important to have young people in management positions so as to relate to young college students and understand their needs. Young designers will also help create the ideas for the stores and layout, as they know what appeals to college students and what attracts them.

STRATEGY

Strategy is one of the most important – and difficult – things to do in business. What is your company's strategy for success? List four or five elements of your strategy. As you think about it, try to answer this question: How will we succeed?

We will have a Cost Leadership strategy. Our products will be good quality low priced, and sure to be useful a student throughout college. We supply spirit wear that is just as high quality as any other university store, without money being a deal-breaker. We will also make use of the Niche strategy; we will target college students as our main consumers, with products that are used almost exclusively by that group. We also need to have a strong young leadership that is run by students. Corporate Social Responsibility will be paramount, and displayed in such ways as donating items that we don't sell, and have scholarship programs for not only our students, but also for refugees and people in poverty. These things will help our company's reputation and will certainly improve our reputation, but also is simply the right thing to do.

GOALS

What are your company's goals for Year 1? For the first three years? For the first five years? Write one SMART goal for your 1-, 3- and 5-year goals.

Our 1-year goal is to build a reputation in Philadelphia and in other universities in the United States by doing a lot of marketing, and creating an app and website for our company that customers can use to buy and sell products, to check for events, and to sign up for them. Our 3-year goal is to open five stores in Pennsylvania in five different universities, the target universities being Drexel University, Penn State University, University of Pennsylvania, Saint Joseph's University, and University of Pittsburgh. Our 5-year goal will be to have work study programs and internship for our student workers. And finally, our 10-year goal will be to start a charity that helps students who can't afford school supplies.

PHASE 4

ETHICS

Do some research on your parent company – has it experienced any ethical issues or scandals? How will your company avoid the same kind of issues? How will you encourage ethical behavior in your company?

The parent company to For Students By Students is Barnes and Nobles. This parent company has been very true to their values and has not been the topic of ethical issues. With that being said, FSBS must be cautioned of ethical scandals that could occur among employees and management. The Whistle-Blowing Policy will be in place to enable employees to report anything that is unethical or could be a potential problem without consequences of reporting the issue. This will create in the employees a sense of empowerment, and raise the overall morale.

To ensure ethical behavior occurs by the employees of FSBS, each employee will attend a mandatory ethics training seminar twice a year. This will ensure they know how to act when they are faced in an ethical problem. In addition, meetings will be held to allow employees to talk about issues or problems they are facing. An employee can hold this meeting regardless of what title or position they hold, and if they wish, could request the presence of the CEO at these meetings. Through these practice, FSBS will have prepared employees and practices when facing an ethical issue.

VALUE PROPOSITION

What innovation, service or feature of your company will make your company and its products attractive to customers? Why should customers choose your company to do business with?

For Students By Students will practice business true to their values. Our focus is on providing education and opportunities to our customers, employees, and people in need all over the world. Customers will choose to do business with this company because we have unique items at affordable prices. FSBS will appeal to the target market of college students and these students will trust that the company is truly looking after the students and ensuring to help lower their debt.

COMMUNICATIONS

How will you launch your company? How will you let the world know you are in business? A global webcast? Press releases? A live satellite broadcast around the world or just in the US? How about your employees? How will you communicate the launch of your new company to

them? Will you use traditional means of communicating (e.g. intranet, newsletters) or use social media (e.g. Twitter, Facebook)? Or something else?

This company will launch by having an alumni celebrity make shoutouts on Twitter, Facebook, Instagram, and Snapchat. The first store will be located at Temple University to kick start the business. Since Kevin Hart is on the board of directors, he will use his social media power to attract students attending this school to check out the new store on campus. Poster boards, elevator bulletin, signs, school newsletters, and school radio will be used to offer discounts during the first few months of business to bring customers in. On the first day of business, the first 100 customers will receive a free t-shirt with any purchase. Lastly, at every grand opening of a store, we will have a corporate event at the site with a face-to-face announcement to the students to announce the new store coming to campus. At the grand opening, we will invite the celebrities that were alumni to the college to be present for the first day.

PHASE 5

INVESTORS

To help get your company off the ground, you will need investors – people who put up their money to invest in your company. Your investors will expect a financial return on their investment. How are you going to attract investors? What are you going to promise them in return for their investment? What kind of initial investment are you going to ask for?

FSBS will attract investors by showing a need for the store in every college campus, and by showing how our customers will consistently buy our goods because of their high quality, organization, and fair pricing. We will open our records and personally sit down with investors and show them our revenue for the year, and make sure each investor's needs and questions are met.

An aspect of FSBS that long-term investors will value is the fact that the services we provide will be demanded in every generation. After all, there are always students looking for a cheaper price on all their college needs, and FSBS is prepared to meet those needs, and more, for a long time to come.

We will set our IPO at \$18 per share, with a promise of a 7% return on their investment.

COMPENSATION

What is your compensation philosophy? Do you intend to pay above the market rate? At the market rate? Or slightly lag below the market rate? Besides pay, what other benefits are you going to offer people to attract them to and keep them with your company?

FSBS will provide an hourly rate of \$8.25, with a \$0.25 raise semiannually. Many businesses are setting their starting rate at \$8.00 an hour, so our compensation will attract employees and make sure to keep a low turnover rate.

The benefits that the workers will receive will include a scholarship opportunity. If the student worker works a minimum of 575 hours (16 hours a week) for the entire school year (36 weeks), the student will receive \$1,000 to be used for tuition. In addition, if the student works less than 575 hours per school year, but works over 285 hours per week, they will receive a \$100 grant for textbooks.

After FSBS gains its footing in the college, it will be providing work study opportunities for positions such as cashiers and shelf-stockers.

ATTRACTING AND RETAINING EMPLOYEES

How will you attract and retain great people? As we discussed in class, pay is not always the main factor in someone's decision to join and stay with an organization.

Each store will have a young "vibe" worked into the decorating, music selection, and products. Our staff will be, for the most part, made up of members of the student body. This will keep the environment of the stores youthful, and attracts other students looking for work by seeing peers employed at FSBS.

The company will attract great people by presenting how the company's success is driven by its employees hard work, how the company believe in ethics, and how it holds to its values. Additionally, FSBS will present the idea that the more effort the employees put into the company, the greater the overall performance of the company. In order to recognize this effort, FSBS will choose an employee of the month, and various opportunities in which to earn a raise or to earn a promotion.

In order to maintain a low level of employee turnover, the company will make sure each employee gets all the benefits they were promised, and each CEO and executive in the company communicates with every employee to strengthen a bond between one another in a regular basis.

In addition, this business will provide a resonant work environment for all employees of all backgrounds. There will be an HR Representative to resolve any issues employees might have, or answer any questions.

DATE SUBMITTED: **November 17, 2016**