

Understanding Suppliers through a Chocolatier’s Expansion

SUBMITTED BY: Knowledge@Wharton Summer Educator

SUBJECT(S): Management

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

Students will examine the suppliers element of Michael Porter’s framework for analyzing business growth potential — known as The Five Competitive Forces — and apply this knowledge in developing a growth strategy for a business, product or service of their choosing.

≡ NBEA STANDARD(S):

- Management, II. Management Theories

≡ RELATED ARTICLES:

- [“The Uncertainty Surrounding Your MoviePass Subscription”](#)
- [“China, the World Stage and Your Role as a Global Citizen”](#)

Common Core Standard(s):

- *Speaking & Listening:* Initiate and participate effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on grades 9–10-11-12 topics, texts and issues, building on others’ ideas and expressing their own clearly and persuasively.

- *Speaking & Listening*: Present information, findings and supporting evidence clearly, concisely and logically in such a way that listeners can follow the line of reasoning, and the organization, development, substance and style are appropriate to the purpose, audience, and task.

Objectives/Purposes:

- Students will learn about the suppliers aspect of Porter's model in the context of a chocolatier's expansion into the Chinese market.
- Students will explore the suppliers element of Porter's model in reference to their own projects.

Knowledge@Wharton Article: [“The Bitter and the Sweet: How Five Companies Competed to Bring Chocolate to China”](#)

Other Resources/Materials:

- Computer with projector capability
- Background information on Porter's Five Forces framework can be found on Wikipedia: http://en.wikipedia.org/wiki/Porter_five_forces_analysis
- [Porter's Five Forces Worksheet](#)
- [Porter's Five Forces PowerPoint](#)

Activities:

- 1) Recap with students your discussion about Porter's Five Forces Model. Use the graphic provided on Wikipedia to give students a visual representation of the five forces (or use the PPT slides provided), and emphasize that today's lesson will focus on yet another element of the framework: Suppliers. (5 mins)
- 2) Using the example of a chocolatier's attempts to take advantage of the Chinese market, discuss with students the issues about supplies and suppliers raised in the Knowledge@Wharton article: “The Bitter and the Sweet: How Five Companies Competed to Bring Chocolate to China.” (10 mins)

1. Definition: In Porter's model, the term suppliers refers to those who provide the raw materials, knowledge or manpower essential to the production of products, services and goods. Hence supplies could just as well include people as it could materials.
2. Have the students assist you in identifying the supply issues raised in the article. List these on chart paper/board and record the students responses to the following questions:
 - i. What supplier issues emerged in the chocolatiers' expansion process?
 - ii. How was this detrimental to expansion efforts?
 - iii. What are some ways that you might have worked around this issue?
 - iv. What do you think is the rationale was for them to proceed forward even when supply issues became apparent?
- 3) Direct students to continue working with their partner(s) to create a list of potential suppliers for the business, product, or service for which they are strategizing. Have students record their findings on the Five Forces Worksheet that they were given in the first lesson of this series.
- 4) Regroup students and have each pair share-out their list of supplier considerations with the whole class. Encourage others to offer additional suggestions to what the team came up with.
- 5) Wrap up the discussion by underscoring any notable comments made during the sharing period and clarifying any points students misunderstood. Inform students that the next lesson will focus on buyers, so they should begin thinking about the buyers (consumers) of their business, product, or service.

Practice Outside of the Classroom: Have students continue to do research on their product, service or industry as homework.