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Teaching note

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TEACHING NOTE

HOW BLACK SWANS CAN FLY AWAY WITH A SUSTAINABLE ALTERNATIVE TO PLASTIC BAGS

SYNOPSYS

Hana Fořtová and her university friend founded the promising start-up Frusack, which sold an innovative reusable and compostable food bag made from corn starch fibre. Initial reactions were very positive, Frusack was a media favourite and soon managed to get an investor and bank loans for further expansion. In the first years, everything turned out rosy, distribution (primarily retail food stores) grew, as did the number of foreign markets and employees. But then the “black swan” arrived in the form of COVID, when the lockdown and the subsequent large drop in retail sales and hygienic precautions caused a hard fall and even the end of the company.

TARGET AUDIENCE

The case study is designed for undergraduate and graduate students studying business management, entrepreneurship, marketing, sustainable business practices or technological innovations like biotechnology. It is particularly relevant for courses that focus on strategic management, brand management, sustainability, product development and business models. The target audience includes:

-Entrepreneurship and business Students: Analyse Hana Fořtová´s entrepreneurial journey in the context of start-up business aimed at retail distribution.

-Sustainability and product development students: Evaluate the unique selling proposition of Frusack, combining new materials, circular business model and creating a demand for a new product category and the success factors in this line of business.

LEARNING OBJECTIVES

The knowledge and skills gained expand the knowledge of sustainable product innovations and circular business model. The case will support a wide range of learning objectives, focusing on gaining an understanding of the following:

- Understanding the importance of differentiation and distinctiveness in business

- Understanding the importance of being first and building a new product category

- Exploring the challenges and opportunities associated with expanding such a business including financing and widening the retail distribution

- Entrepreneurial skills: focus on creativity, hard work, partnerships, legal and financial accumen

APPLICATION IN THE CLASSROOM

-Interactive Activities: Engage students in discussions, role-playing, or case simulations to deepen their understanding of sustainable business practices and entrepreneurship.

-Guest Speaker: Invite guest speakers from start-up scene to share their experiences and insights, connecting real-world perspectives with the case study.

-Field Trips or Industry Visits: Arrange visits to innovative and sustainable start-up companies or production facilities to provide students with a practical understanding of the challenges and opportunities in the industry.

TEACHING STRATEGY/PROCESS INCLUDING SPECIFIC TIMING

If the canvas is provided to student, the case could be completed in 45 minutes, otherwise 90 minute or two separate classes as required for case analysis.

Step 1 Introduction (10 mins):

Present the case background and introduce key themes of business canvas, product innovation or sustainability.

Step 2 Interactive Discussion (30 mins):

Engage students in a discussion using the provided discussion questions to explore different aspects of the case.

Ask students to group and assign two tasks to different groups. Task 1 - to build business model canvas for Frusack and Task 2 - to discuss and enrich the canvas provided. See canvas at the end of the document.

Step 3 Group Presentations (15 min or max 3 min per group):

Have each group present their canvas to fostering collaborative learning.

Step 4 Analysis (10 mins):

Analyse specific aspects of businesses

Make final conclusions on the differences

Step 5 Conclusion and Takeaways, or Follow up Assignments (10 mins):

Summarize key takeaways, lessons learned, and overarching themes from the case study.

FOLLOW-UP ASSIGNMENTS (OPTIONAL)

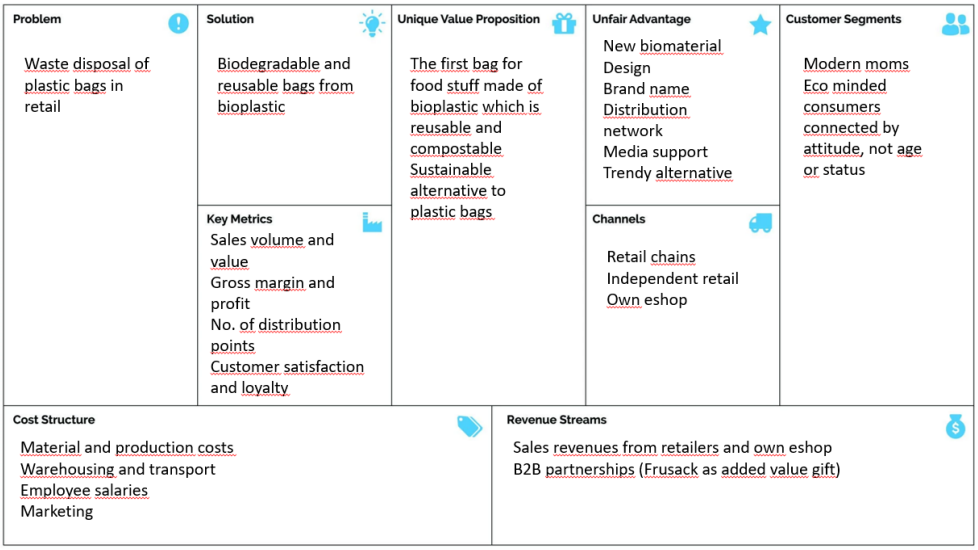
Assign research projects or essays on related topics, such as product development, start-ups development, sustainable and circular business proposition or key success factors.

Assessment: Evaluate students based on their participation in discussions, the quality of group presentations, and any additional assignments.

Note: Encourage students to think critically about the differentiation and distinctiveness, importance of being first or critical factors which may jeopardize a future success.

DISCUSSION QUESTIONS

- ***COVID could not be predicted, but was there any way to prepare for an unexpected event of this kind?***
- ***How would you evaluare the business model that made Frusack too dependant on the key distribution channel - brick-and-mortar retail?***
- ***Should Frusack have developed and marketed more products to be less vulnerable?***
- ***What could have been done differently so that production was not dependent on a single supplier?***
- ***Is the environment now more suitable for products like Frusack or not?***
- ***Were the company financing methods chosen correctly?***



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