

1998 Paper 13 Question 5

Business Studies

You are assigned the role of UK sales and marketing manager for a new kind of low-cost computer, primarily aimed at the educational market. Whilst not directly PC compatible, the computer includes web access, PC-compatible word processing, other PC-compatible productivity tools, and a suite of educational programs.

How would you approach this task? Draw up an outline business plan as follows.

- (a) Show what communication and distribution channels you propose. [5 marks]
- (b) Propose a selling price, and estimate the number of units you might sell at this price. [5 marks]
- (c) Estimate a 3-year budget for the sales and marketing activity. [5 marks]
- (d) State how you would refine your estimates, and what monitoring you would put in place. [5 marks]

Background information:

- There are about 32,000 schools in the UK.
- The UK government has recently published a consultative document *The National Grid for Learning* with a proposal to spend £100M on provision of internet access in schools over the next 5 years. This sum includes infrastructure provision, content development and teacher training, as well as a contribution to provision of computers in schools.
- The average school IT spend is projected to be £18,000 each year. Additional funding may be available from government and parents for specific projects.
- The unit manufacturing cost is £200, delivered.