



## Paper 1 Case Study - Myt PLC

Links to the syllabus and the BMT toolkit

**TEACHER'S VERSION**

Based on the case study published by the IBO for May 2025 exams.

**BMT Toolkit**

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## What is a SWOT analysis?

	STRENGTHS	WEAKNESSES
INTERNAL	S	W
	OPPORTUNITIES	THREATS
EXTERNAL	O	T



## Activity: Let's discuss about SVT!

	STRENGTHS	WEAKNESSES
INTERNAL	S	W
	OPPORTUNITIES	THREATS
EXTERNAL	O	T

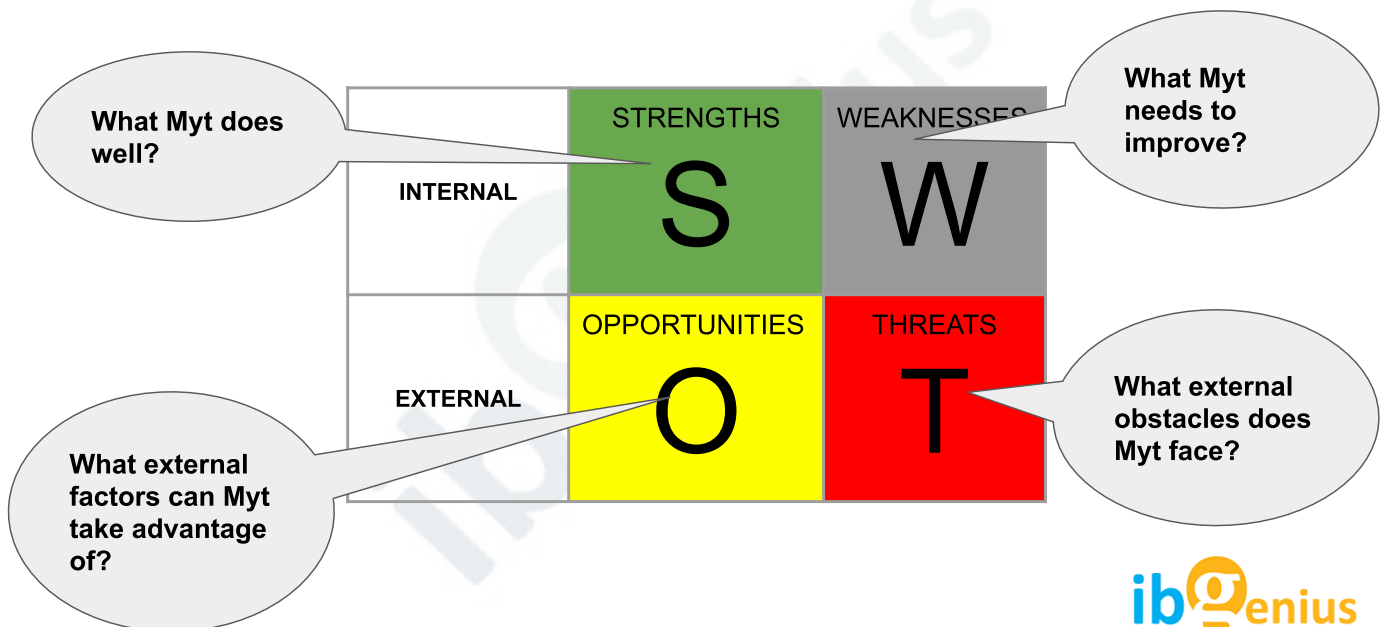


## Activity: Let's discuss about SVT!

	STRENGTHS	WEAKNESSES
INTERNAL	S	W
	OPPORTUNITIES	THREATS
EXTERNAL	O	T



## Activity: Let's discuss about SVT!





## SWOT Analysis based on the case study

Activity: Can you identify in the case strengths, weaknesses opportunities and threats??

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<b>OPPORTUNITIES</b>	<b>THREATS</b>



## SWOT Analysis based on the case study

Activity: Can you identify in the case strengths, weaknesses opportunities and threats??

<b>STRENGTHS</b> <ul style="list-style-type: none"><li>- Multinational company (I.1)</li><li>- Publicly held company (sell shares as a source of finance, limited liability - I.1)</li><li>- Factories on six continents (I.3)</li><li>- Product portfolio of over 30 different drinks (I.6)</li><li>- Diversification (I.12)</li></ul>	<b>WEAKNESSES</b> <ul style="list-style-type: none"><li>- Factories are neither modernized nor green (I.16)</li><li>- Use of bottles and cans (possibly not environmentally friendly I. 6)</li><li>- Myt's drinks are high in caffeine and sugar (I.11)</li><li>- Drawbacks of external growth and diversification</li><li>- Drawbacks of take overs</li><li>- Heavily rely on sweet and carbonated beverages</li><li>- Drawbacks of multinational companies</li></ul>
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# SWOT Analysis based on the case study



Activity: Can you identify in the case strengths, weaknesses opportunities and threats??

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"><li>• Increase in use of social media</li><li>• Development of computer-generated avatars in advertising</li><li>• Increasing trend of health conscious consumers</li></ul>	<ul style="list-style-type: none"><li>• Obesity and diabetes are two health issues that have been linked to drinks (I.8)</li><li>• The entire recommended daily sugar intake for an adult is a single can (I.9)</li><li>• Sugar substitutes used in diet drinks have been linked to various health problems (I.10)</li><li>• Increasing trend of consumers willing to protect the environment</li><li>• Increasing trend of consumers for healthy diet</li><li>• Competition</li></ul>



## STEEPLE



It stands for:

- Social
- Technological
- Economic
- Ecological
- Political
- Legal
- Ethical



Activity: Can you identify external factors that affect Myt based on the pre-released case study?



# STEEPLE

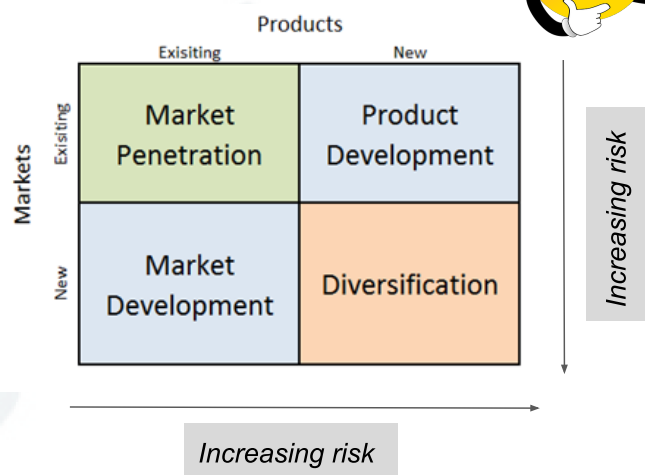


- **Social:** Increase in use of social media, Increasing trend of consumers willing to protect the environment, Increasing trend of consumers for healthy diet, Obesity and diabetes are two health issues that have been linked to drinks, Sugar substitutes used in diet drinks have been linked to various health problems (I.10)
- **Technological:** Development of computer-generated avatars in advertising, social media advertising
- **Legal:** Recommendation for the entire recommended daily sugar intake for an adult is a single can



## Ansoff Matrix

Ansoff's Matrix is a business tool used to show the degree of risk associated with four growth strategies based on market and product.



**Activity:** Can you identify Myt's growth strategies that were implemented or are planned to be implemented?





## Ansoff Matrix

		MARKET	
		EXISTING	NEW
PRODUCT	EXISTING	<b>MARKET PENETRATION</b> <ul style="list-style-type: none"><li>• Increase the market share of existing products</li></ul>	<b>MARKET DEVELOPMENT</b> <ul style="list-style-type: none"><li>• Expanded in many markets globally (multinational with factories in 6 continents)</li></ul>
	NEW	<b>PRODUCT DEVELOPMENT</b> <ul style="list-style-type: none"><li>• Product portfolio of 30 different drinks</li><li>• Reduce caffeine and sugar levels in its products (plan)</li></ul>	<b>DIVERSIFICATION</b> <ul style="list-style-type: none"><li>• Lotssa coffee (LC)</li><li>• Honest Water (HW)</li><li>• Entering the healthy snacks market (plan)</li></ul>

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## Circular business models

Myt plans include to modernize and make its factories green

Also in the additional terms provided the following ones could be linked with circular business models: biodegradable and recycling

### Activity:

- Discuss the advantages and disadvantages of circular business models
- Based on the information provided and the additional terms discuss what types of business circular models Myt could use

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# Circular business models



- **Circular supply models:** The circular supply chain is a model that encourages manufacturers and sellers of products to take discarded materials and remake them for resale
- **Resource recovery models:** Resource recovery is using wastes as an input material to create valuable products as new outputs, including recycling.



## Circular Business Models - Evaluation



Advantages	Disadvantages
<ul style="list-style-type: none"><li>- Less extraction of natural resources</li><li>- Innovation</li><li>- Offers competitive advantage</li><li>- Enhances a business's brand image</li><li>- Allows change in consumption habits</li><li>- New job creation</li></ul>	<ul style="list-style-type: none"><li>- Possible capital expenditure needed</li><li>- Lack of regulations governing legal competition among companies</li><li>- Lack of environmental awareness on the part of suppliers and customers</li><li>- Technical skills and abilities needed which may increase costs of training or are not yet present in the workforce.</li><li>- Consumer acceptance problems.</li></ul>





# UNIT 1: Introduction to business management



## Economic sectors

In which economic sector Myt operates in?

- A. Primary
- B. Secondary
- C. Tertiary
- D. Quaternary

Why?



## Economic sectors - Answer



In which economic sector Before One (BON) mainly operates in?

- A. Primary
- B. Secondary (mainly) - Manufacturing non-alcoholic drinks**
- C. Tertiary (Lotssa coffee chain)**
- D. Quaternary

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## Types of organizations

Myt PLC (Myt) is a publicly held multinational company

Activities:

- Outline the main characteristics of a publicly held company
- Discuss the main advantages & disadvantages of a publicly held company like Myt

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# Types of organizations



- Outline the main characteristics of a publicly held company

**Publicly held company:** A type of company that offers limited liability, or legal protection for its shareholders, with the legal right to sell shares to the public through the stock exchange market.

## Characteristics:

- Often large businesses
- Their business name ends in Plc.
- The shares will be quoted on the Stock Exchange or the Alternative Investment Market (AIM). The Stock Exchange is a market where second hand shares are bought and sold. A full Stock Exchange listing means that the company must comply with the rules and regulations laid down by the Stock Exchange.

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# Types of organizations

**Activity 2: Discuss the main advantages & disadvantages of a publicly held company like Myt**

Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Limited liability to shareholders</li><li>• Separate legal personality</li><li>• Continuity if a shareholder dies</li><li>• Huge amounts of money can be raised from the sale of shares to the public.</li><li>• Production costs may be lower as firms gain economies of scale.</li><li>• Because of their size, plc can often dominate the market.</li><li>• It becomes easier to raise finance</li></ul>	<ul style="list-style-type: none"><li>• Legal formalities involved in setup</li><li>• High costs when creating a plc.</li><li>• Share prices can be subject to fluctuation</li><li>• Final accounts must be shared with public</li><li>• Risk of takeover</li><li>• Directors influenced by short-term objectives of major investors</li></ul>

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# Myt's Stakeholders



## Activity:

1. Define stakeholders
2. Which are Myt's internal and external stakeholders mentioned or implied in the first paragraphs of the case study?



# Myt's Stakeholders



## Activity:

1. Define stakeholders

Stakeholders are groups or individuals that are affected by and/or have an interest in the operation and objectives of a business.

**Exam tip!** When analysing stakeholders take into consideration the following:

- Each stakeholder group will have its own expectations of the business.
- Every business has scarce resources
- A business cannot meet the needs of every stakeholder group



# Myt's Stakeholders



## Activity:

1. Which are Myt's internal and external stakeholders mentioned or implied in the first paragraphs of the case study?
  - Shareholders (as a plc)
  - Community
  - Government Directors
  - Employees
  - Customers
  - Pressure group (additional terms)



# Corporate social responsibility



**Activity:** The case study states that Myt plans to improve its corporate social responsibility (CSR).

- Define CSR
- Evaluate Myt's plans to improve its CSR



# Corporate Social Responsibility (CSR)



## Corporate Social Responsibility (CSR)

When a business **considers** the interest of society and **takes responsibility** for the impact of its business decisions **and actions** on many stakeholders.

[Corporate Social Responsibility \(CSR\) Explained With Examples \(investopedia.com\)](https://www.investopedia.com/terms/c/csr.asp)

### *How we measure CSR?*

With a **social audit**, which is an independent report on the impact of business on society, conducted by a third party.



# Corporate Social Responsibility (CSR)



Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Improved brand image so this could be a competitive advantage</li><li>• More motivated employees so less employee turnover</li><li>• Less resistance from pressure groups</li><li>• Better relations with the stakeholders</li><li>• Higher long-term profitability</li><li>• Possible growth into a new market</li></ul>	<ul style="list-style-type: none"><li>• Short-run costs increase</li><li>• Shareholders may not accept short-run decrease in profits</li><li>• Loss of competitiveness due to higher costs so higher prices</li><li>• During economic recession, customers may turn to cheaper products</li><li>• Damage in brand image if a company claims to be socially responsible but proves that it has opposite practices</li><li>• Criticism that it is “just another marketing tool”</li></ul>



## Types of growth



**Activity:** The case study states that Myt has followed both internal and external growth strategies.

- Describe examples of Myt's external growth strategy.
- Describe the difference between internal and external growth strategy
- Discuss the advantages and disadvantages of internal growth strategy
- Discuss the advantages and disadvantages of external growth strategy (take-overs)



## Types of growth



**Activity:** The case study states that Myt has followed both internal and external growth strategies.

### Describe examples of SVT's external growth strategy

- Myt is a multinational company with factories on 6 continents - this indicates internal growth
- Myt has grown in size through internal and external growth. Initially, Myt manufactured just one drink: a root beer that was non-alcoholic, sweet, and carbonated. By 2020, Myt had developed its own large portfolio of over 30 different drinks, which it sells in bottles and cans.
- In 2023, Myt's board of directors began a process of diversification, taking over:
  - Lotssa Coffee (LC), a chain of coffee shops with over 4000 outlets across 35 countries
  - Honest Water (HW), a manufacturer of bottled drinking water.



## Internal (organic) growth



Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Less expensive than external growth</li><li>• Less risky than external growth</li><li>• Can be better planned</li><li>• Easier to control</li><li>• Maintains existing corporate culture and management styles</li></ul>	<ul style="list-style-type: none"><li>• Can be very slow</li><li>• Growth may be limited</li><li>• Possible lack of know-how and experience in a specific sector/market/stage of production</li></ul>

**Exam tip!** The advantages & disadvantages of external growth are the opposite from the advantages and disadvantages of internal growth!



## Different forms of external growth



**Horizontal integration:** A business takes over or merges with a business in the same industry and at the same stage of production

**Backwards vertical integration:** A business firm takes over or merges with a supplier

**Forward vertical integration:** A business takes over or merges with a customer

**Conglomerate integration (diversification):** Integration occurs between firms in unrelated industries





## Mergers & Acquisitions (Takeovers)



- **Merger:** an agreement by shareholders and managers of two businesses to bring both firms together under a common BoD with shareholders in both businesses owning shares in the newly merged business
- **Takeover (acquisition):** When a company buys over 50% of the shares of another company and becomes the controlling owner

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## External (inorganic) growth



Advantages	Disadvantages
<ul style="list-style-type: none"><li>● Can occur more quickly than organic growth</li><li>● Firms can benefit from a greater pool of skills and experience</li><li>● Customers, sales, assets and market position are acquired immediately</li><li>● Reduces competition (especially in horizontal integration)</li></ul>	<ul style="list-style-type: none"><li>● More expensive than organic growth</li><li>● Difficult to combine different organisational cultures and management styles</li><li>● Possibility of diseconomies of scale</li><li>● Greater risk</li><li>● Difficult to control</li></ul>

**Exam tip!** The advantages & disadvantages of external growth are the opposite from the advantages and disadvantages of internal growth!

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## Multinational companies



**Activity:** The case study states that Myt is a multinational company

- Define multinational company
- Discuss the impact of multinational companies on households/individuals
- Discuss the impact of multinational companies on host countries

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## Multinational companies

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## Multinational companies



## Multinational companies



- **Multinational Company**= business organisation that has its headquarters in one country, but with operating branches, factories and assembly plants in other countries.



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- **Multinational Companies** have an impact on
  - Households / Individuals
  - Host countries

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## Multinational companies



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- **Multinational Companies** have an impact on
  - Households / Individuals
  - Host countries

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# Benefit & Drawbacks for multinational companies



Benefits	Drawbacks
<ul style="list-style-type: none"> <li>- Allows domestic businesses enter overseas markets</li> <li>- Increased economies of scale</li> <li>- Larger customer base</li> <li>- Spread risks by operating in other markets</li> <li>- Cost-saving benefits due to cheaper labour, lower taxes, access to cheaper raw materials and components, proximity to customers</li> </ul>	<ul style="list-style-type: none"> <li>- Diseconomies of scale</li> <li>- Difficulties in communications with headquarters</li> <li>- Language, legal and culture differences</li> <li>- Skill level of employees in host countries may be low and may require investment in training</li> <li>- Possible negative publicity due to labour and natural resources exploitation</li> </ul>



# Benefit & Drawbacks for households/individuals



Benefits	Drawbacks
<ul style="list-style-type: none"> <li>- Enjoy a wider variety of goods and services.</li> <li>- Increased job opportunities</li> <li>- Raises the standard of living in poor and less developed countries</li> <li>- Increase of modernization</li> </ul>	<ul style="list-style-type: none"> <li>- If local companies fail, then households may have less disposable income</li> <li>- Increased unemployment if local companies fail</li> <li>- Often westernized culture imposed by global brands</li> <li>- Might destroy job opportunities in more developed and high-wage countries as the production of goods moves across borders.</li> </ul>



## Benefit & Drawbacks for host countries



Benefits	Drawbacks
<ul style="list-style-type: none"><li>- Employment opportunities will be created</li><li>- Know-how, new technologies, quality and efficiency for the local workforce.</li><li>- Increase in tax revenues for the government from direct taxes on firms.</li><li>- Increased output of the economy, rising the overall GDP of the country</li><li>- Benefit for local businesses that support the MNC operations</li></ul>	<ul style="list-style-type: none"><li>- MNCs may take advantage of lack of strict labour laws and lack of a minimum wage rate, leading to the exploitation of the local workforce.</li><li>- Closing down of local competitors as they don't have the resources to compete</li><li>- Profits may be sent back to the country where the head office of the company is based</li><li>- Local businesses may lose customers, market share and profit</li><li>- Economic downturn in one country can create a domino effect through its trade partners</li></ul>

## UNIT 2: Human Resources Management

## UNIT 2: Human Resources Management

The pre released part of the case study does not mention anything about HR but there could be in the full case study in May 2025



## UNIT 3: Finance and Accounts





## UNIT 3: Finance and Accounts

The pre released part of the case study does not mention anything about HR but there could be in the full case study in May 2025



## UNIT 4: Marketing



# UNIT 4: Marketing

4.1 Introduction to marketing

4.2 Marketing planning

4.3. Sales forecasting

4.4. Market research

The pre released part of the case study does not mention anything from these chapters but there could be information in the main case study in May 2025

E.g. target market, segmentation, market share, market leadership, positioning map (sugar and caffeine drinks), USP



## Marketing Mix - The 7 Ps



As Myt produces non-alcoholic drinks, the main elements that could be analysed are the 4 Ps: Product, Price, Promotion, Place

There is limited information in the pre-seen case study

**Product:** What do we know about Myt's products?

**Price:** What do we know about Myt's prices?

**Promotion:** What do we know about Myt's promotion?

**Place:** What do we know about Myt's place?



# Marketing Mix - Product



## Product: What do we know about Myt's products?

- Product portfolio of 30 non-alcoholic drinks (could be linked with the BCG matrix)
- Coffee
- Bottled water
- Plans for:
  - Products with less sugar and caffeine
  - Introduction of healthy snacks



# Marketing Mix - Product



## Product: What do we know about Myt's products?

- Product portfolio of 30 non-alcoholic drinks (could be linked with the BCG matrix)
- Coffee
- Bottled water
- Plans for:
  - Products with less sugar and caffeine
  - Introduction of healthy snacks

**Activity: What product life extension strategies could Myt use? What are the advantages and disadvantages?**



# Marketing Mix - Product



STRATEGY	BENEFITS	LIMITATIONS
<b>Add features to existing product</b> (e.g. less caffeine, no sugar, other extra flavours)	Cheaper and quicker to launch than a new product	The basic product is still the same
<b>Repackaging</b> (e.g. special editions, different sizes)	Cheap & Quick method	The product is still the same
<b>Rebranding</b> (modernize logo of soft drinks)	Can enter new markets, can be perceived as a new product	Can be expensive
<b>Enter new markets (e.g. exports)</b> (new countries already in 6 continent factories)	Increase in sales	Redesign of the marketing mix to adapt to new tastes & culture
<b>Reduce Price</b> (promotions)	More consumers can afford to buy	Short-term impact as the product remains the same.



# Marketing Mix - Price



## Price: What do we know about Myt's prices?

There is no information provided. However, non-alcoholics drinks are a very competitive market

The price that can be charged depends on:

- cost of production
- competitive conditions of market
- competitors' prices
- marketing objectives
- the target group
- the other elements of the marketing mix



# Marketing Mix - Promotion



## Promotion: What do we know about Myt's promotion?

- Myt uses social media influencers as part of its promotional strategy
- Myt plans to utilize computer-generated avatars when creating advertisement

**Activity:** Discuss the advantages and disadvantages of social media marketing?



## Social media marketing



Use of online tools, and websites to promote products (e.g. Facebook)

ADVANTAGES	DISADVANTAGES
<ul style="list-style-type: none"><li>- Potential global reach</li><li>- More personal, informal and emotional communication</li><li>- Improved audience reach</li><li>- Interactivity</li><li>- Performance metrics available</li><li>- Fast transmission</li></ul>	<ul style="list-style-type: none"><li>- Specialized skills required, could increase costs</li><li>- In order to get performance metrics additional costs may be required</li><li>- Security and Privacy issues</li><li>- Negative feedback and reviews</li></ul>



## Marketing Mix - Place



### Place: What do we know about Myt's place?

There is no information provided. However, it is a multinational company selling globally and most possibly using single and two-intermediary distribution channels



## UNIT 5: Operations management



# Sustainability



Activity:

- Define sustainability
- In what ways could Myt achieve environmental sustainability (use also the additional terms of the case study)



# Sustainability



Activity:

- Define sustainability

Sustainability is “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations 1987).

- In what ways could Myt achieve environmental sustainability (use the additional terms of the case study)

**Myt plans include to modernize and make its factories green. Also in the additional terms provided the following ones could be linked with circular business models: biodegradable and recycling**

**Exam tip:** Sustainability can be combined with business circular models and CSR



# Operations methods



Activity:

- What type of operations method does Myt use?

**Answer:** There is no information but most possibly mass/flow production.

What are the advantages and disadvantages of mass/flow production?



## Mass / flow production

**Mass production:** Mass production is the manufacture of large quantities of standardized products, frequently using assembly line or automation technology.



Characteristics:

- Mass markets
- Low unit costs
- Capital intensive
- The two methods are interrelated. In most cases, in order to achieve mass production, the flow production method is necessary.





## Mass / flow production



Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Faster production</li><li>• Economies of scale</li><li>• Standardized product</li><li>• Automated process</li><li>• Reduces time wastage</li></ul>	<ul style="list-style-type: none"><li>• High capital expenditure needed</li><li>• Demotivated employees due to repetitive jobs</li><li>• No flexibility for customization</li><li>• Failure of machine may interrupt the whole production</li></ul>



## Location factors

### Activity:

- Myt uses different locations for its factories and at the same time Lotssa coffee has many shops in different locations.
- Discuss the factors that affect Myt's choice of location
  - For setting a factory
  - For opening a new Lotssa coffee shop



## Location – Quantitative factors



	FACTORS
<b>QUANTITATIVE</b>	<ul style="list-style-type: none"> <li>● Fixed costs</li> <li>● Variable costs</li> <li>● Sales forecasts</li> <li>● Profitability of investment</li> <li>● Expected profitability</li> <li>● Economies of scale</li> </ul>

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## Location – Qualitative factors - External



	FACTORS
<b>QUALITATIVE EXTERNAL</b>	<ul style="list-style-type: none"> <li>● Unemployment rate</li> <li>● Clusters</li> <li>● Labour supply</li> <li>● Infrastructure</li> <li>● Safety</li> <li>● Political stability</li> <li>● Government grants</li> <li>● Legislation</li> <li>● Taxes</li> <li>● Environmental regulations</li> <li>● External economies of scale</li> <li>● Exchange rates</li> </ul>

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## Location – Qualitative factors - Internal

	<b>FACTORS</b>
<b>QUALITATIVE INTERNAL</b>	<ul style="list-style-type: none"><li>● Opportunities for further expansion</li><li>● Owner's / Manager's preferences</li><li>● Ethical issues</li><li>● Supply-chain concerns</li><li>● Cultural differences</li><li>● Language barriers</li></ul>



## Offshoring

Activity:

- Myt has headquarters in the US but operates factories on 6 continents. This is linked with offshoring.
- Define offshoring
- Discuss the advantages and disadvantages of offshoring



# Offshoring



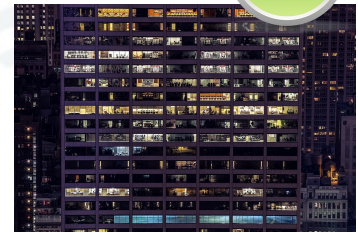
- **Offshoring**= The moving of various operations of a company to another country (e.g. the production).
- Examples of reasons for offshoring:
  - Lower labor costs
  - Most favorable economic conditions
  - Better skilled labor
  - Better quality supply
  - Being near to target markets
- **Reshoring**: the reverse of offshoring. Ending offshoring contracts with overseas suppliers and returning functions or processes to business operations in the home country.



# Offshoring



- **Issues to be faced when offshoring:**
  - Exchange rates
  - Trade barriers
  - Political Stability
  - Language barriers
  - Cultural differences
  - Supply-chain concerns (transportation, quality of delivery)
  - Level of services (e.g. call centres)
  - Ethical considerations
  - Negative publicity in the home country



**Exam tip:** When evaluating the decision of a business offshoring take into consideration the risks based on the above issues.



## Offshoring - Evaluation



Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Lower costs</li><li>• Advantages for the host countries</li><li>• Profit usually returns to the headquarters</li><li>• Location nearer to the market</li></ul>	<ul style="list-style-type: none"><li>• Higher than expected costs</li><li>• Lack of communication</li><li>• Quality problems</li><li>• Problems with intellectual property</li><li>• Language and cultural barriers</li><li>• Legal restrictions</li></ul>



**Are you ready for the exams?**

**NOW YOU ARE READY FOR PAPER 1**

**REVISE ALL THE SYLLABUS**

