

Harrowfield Linen: where next?

Student workbook | Pearson Edexcel A level Business (9BS0), Year 13, exams in 2027 | Original TBS three-lesson strategy case

Over three lessons you will advise the board of a family-owned commercial laundry on its strategy. Lesson 1: work out what its objectives are and test them against the numbers, then use portfolio analysis, Ansoff's Matrix, Porter's Strategic Matrix and distinctive capabilities to understand its position. Lesson 2: build a SWOT, work out what each of four growth options needs and earns, and choose between them. Lesson 3: test the options against outside influences (PESTLE), the changing competitive environment and Porter's Five Forces, then write a recommendation of about 200 words and review a partner's work.

Harrowfield Linen Services Ltd, Brightlane, Whitegate, Sterivale Clinical Linen, Pound Wash and every person, figure and quote in this case are fictional. You need a calculator. This is original classroom practice, not an exam paper.

The business

Harrowfield Linen Services Ltd is a commercial laundry in Accrington, Lancashire. It collects dirty linen from care homes, clinics, holiday lets and guest houses, and restaurants and pubs, washes and irons it at its one plant and delivers it back, usually within 24 hours. Frank Harrow started it in 1994. Grace Whitlock, the Managing Director, bought it from him six years ago. It employs 74 people, runs 8 vans and washed 1,500,000 kg of linen last year.

Mission statement: "To give every customer clean, safe linen on time, every time, and to be a fair employer in Accrington."

Last year sales (revenue) were £6,000,000 and operating profit was £570,000, a margin of 9.5%. The plant can wash 2,000,000 kg a year. To keep the arithmetic simple, the case uses an average of £4.00 of sales for each kg washed.

Pre-reading before Lesson 1 (not in the 55 minutes): read pages 1 to 4, the business, the case file and the option data, about 15 minutes. Lessons 2 and 3 refer back to them, so keep them to hand.

The board is planning the next three years. This year it can fund ONE project with £150,000 of cash it can spare plus a bank loan of up to £300,000 (£450,000 in all). The loan costs 8% interest a year, interest only, so yearly interest = amount borrowed x 8%.

Free sample

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Contents of the full pack

Lesson 1: Where is Harrowfield going?

Lesson 2: SWOT and strategic choice

Lesson 3: Outside influences and the recommendation

Student workbook and teacher guide, as PDF and as editable Word files.

The teacher guide has lesson plans, full worked answers and indicative guidance.

This sample is the cover and the first two pages of Lesson 1 of the student workbook. It contains no answers. The pages that follow are exactly as in the full pack.

Lesson 1: Where is Harrowfield going?

Starter: terms

Match each term to its meaning. Write the letter in the answer column. A: a measurable target the whole business works towards. B: short-term, day-to-day decisions that carry out a plan. C: a statement of a business's purpose and values. D: a long-term plan to achieve the objectives.

Term	Letter
1. Mission statement	
2. Corporate objective	
3. Strategy	
4. Tactics	

Task 1: from mission to objectives (individual)

Givens. Mission statement: "To give every customer clean, safe linen on time, every time, and to be a fair employer in Accrington." The board's draft corporate objectives:

Ref	Draft corporate objective	When
O1	Raise sales from £6,000,000 to £7,200,000	Within three years
O2	Earn an operating profit margin of at least 10% (this year 9.5%)	Every year
O3	Deliver 98% of orders on time (this year 94%)	Within two years
O4	No compulsory redundancies	Every year

a. For each objective, write the part of the mission statement it measures ("clean, safe linen", "on time, every time" or "fair employer"), or "none".

Objective	Part of the mission, or none
O1	
O2	
O3	
O4	

b. Two objectives do not come from the mission statement. Where might they have come from, and does it matter?

c. Give one strength and one weakness of the mission statement as a guide to decisions.

Task 2: the numbers behind the objectives (individual)

Givens. Sales last year £6,000,000; operating profit £570,000 (margin 9.5%). Targets: O1 sales of £7,200,000; O2 margin of at least 10%; O3 98% of orders on time (now 94%).

a. Complete the gap column. For O1 give the gap in pounds and as a percentage of this year's sales. For O2 and O3 give the gap in percentage points.

Objective	This year	Target	Gap
O1 sales	£6,000,000	£7,200,000	
O2 operating profit margin	9.5%	10%	
O3 on-time deliveries	94%	98%	

b. At sales of £7,200,000 and a 10% margin, what operating profit does Harrowfield need? By how much, and by what percentage (one decimal place), is that more than this year's £570,000?