

Simulation for Round 1



Entrepreneurship & ethics



Our mission: Cleaner energy for a brighter future





Company Profile



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Background:

Founded in the spirit of entrepreneurship & ethics

Company mission:

To provide ethical power solutions for the people via solar power

Founding partners:

The idea behind SPS Inc. was started by four graduate entrepreneurs who met at a UBC UK semi-final during one of the enterprise networking exercises. While all four were from different universities, they realised that they had common interests in 'doing something entrepreneurial that helped make the world a better place' so they stayed in touch after graduation.

The original four partners were:

- Richard Harrison
- Emma Groves
- Georgi Vasilenko
- Jing-wei Yang





Georgi Vasilenko



Emma Groves



Jing-wei Yang



Richard Harrison

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Cleaner Energy for a Brighter Future A message from the CEO

Imagine this: You're in a developing nation with little access to electricity. In fact, you don't have access to a grid, or enough electricity to keep a refrigerator and a light on and water filtered in your home. Or, if you have a generator, you can barely afford to pay for the expensive diesel that keeps it running.

Solar Power Systems (SPS) was set up to deliver one strategic objective: To bring affordable solar power to every community in the developing world by 2025.

The Company's slogan is: *Cleaner Energy for a Brighter Future*.

SPS is working in partnership with charities and NGOs to deliver on this objective.

Depending on villagers' needs, the systems could be as small as a system to power a solar-powered light, allowing villagers' to replace dangerous kerosene or oil lights for use at night. Or they can include a light and charger system, allowing villagers to power their mobile devices — allowing farmers to check on markets, or villagers to communicate with friends, neighbours, or contact emergency medical care.

SPS seeks to change the lives of people throughout the developing world by giving them affordable electricity which delivers access to education, enterprise opportunities, finance, health and social welfare.

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Brilliance Inspired by Ethical Entrepreneurship

I would like to welcome you as the new Board of Directors of Solar Power Systems.

We at Solar Power Systems Inc. are proud leaders in manufacturing solar power systems that allow even the poorest communities to have access to electricity.

At SPS we are passionate about pursuing perfection in our work, providing for our family of employees, and creating a cleaner, brighter future with the products we make.

With enhanced operating efficiencies, greater geographic diversity, and stronger research development, Solar Power Systems has earned its trust amongst its customers and partners, as well as the environment in which it operates.

Ríchard Harrison

Richard Harrison CEO

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Products and Markets that SPS operates in

Solar Power Systems markets two products in developing countries:

Product 1: SPS PowerMonkee

Solar Power System's PowerMonkee (Alpha) product is designed for individual households and can provide enough solar power to allow the household to have a light, a small refrigerator and a water purification system operating at the same time.

Product 2: SPS PowerRhino

Solar Power Systems PowerRhino (**Delta**) product is designed for villagers living in rural communities for a number of households to share a facility that allows them to re-charge mobile phones and computers as well as run a TV, i.e. a product that can be used by more than one household at a time.

Market channels:

SPS PowerMonkee, the company's Alpha product, is sold through two market channels, **Wholesale and Industrial**, whereas PowerRhino is only sold through one market channel: the **Industrial market**.

The **Wholesale market** consists of wholesale distributors of products in the developing world. These wholesalers bulk buy products and warehouse them in large cities in Sub-Saharan Africa, Asia and South America. They sell these products on to retailers who run shops and to traders. These intermediaries then sell the products on to people living in rural communities where electricity is not available or where it is beyond the budgets of most households.

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Products and Markets that SPS operates in / continued

The second market channel for the SPS PowerMonkee is the **Industrial market.** SPS has worked with microfinance organisations and NGOs to develop the concept of a "business in a bag" whereby would-be entrepreneurs can start a small enterprise. The "business in a bag" concept allows people to have access to start-up finance, through microfinance organisations, demonstration products and marketing information as well as a short-educational programme on how to run a successful small enterprise.

According to the micro-finance organisation Kiva "In sub-Saharan Africa, women make up 70 percent of the poor living without electricity. They are also the primary decision makers when it comes to choosing solar lighting and heating over the standard kerosene." By borrowing and getting the "business in a bag" the women can sell the systems to fellow villagers and reinvest the profits into growing the business or supporting things like education.

The **Industrial market** consists of thousands of people who run their own small business and sell SPS's products on to women in rural communities. Using an Avon-style network entrepreneurs, mainly women, sell both PowerMonkee and SPS's second product the PowerRhino to other women in rural communities.

So, to summarise: **PowerMonkee (Alpha)** is sold through both the Wholesale market channel and the Industrial market channel whereas **PowerRhino (Delta)** is sold only via the Industrial channel.

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Note: Labour & Materials used for each product:

Both products are made from the same materials and use the same labour but use a different number of units.

PowerRhino (Delta) uses two units of labour and two units of materials

and two units of production capacity to make one unit

of product.



PowerMonkee (Alpha) uses one unit of labour and one unit of materials and one unit of production capacity

to make one unit of product.



Note on Simulation Participants' Guide: Please cross-refer to the Simulation Participants' Guide which contains all the basic information you require to understand how the simulation works.

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Products and Markets that SPS operates in / continued

One-off Contracts

From time-to-time there is an urgent need for solar energy when natural or man-made disasters mean that normal electricity supplies are cut and will not be restored for weeks or months. Earthquakes, floods, large-scale industrial disasters and regional conflict can lead to electricity supplies being cut-off. Charities and NGOs have to restore power as soon as possible in these situations and Solar Power Systems is often asked to bid for contracts to provide either or both of its PowerMonkee and its PowerRhino products at such times.

These contracts are normally allocated to one supplier only (for each product) based mainly on price. The Product Image of each product is also taken into consideration as the charities and NGOs must be sure that they are providing people in need with a quality product that will continue to work for the weeks or months before mains electricity is reconnected.

Bidding for One-off Contracts: The rules for bidding for contracts can be found in the Simulation Participant's Guide.

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Company Management Report

Financial performance in the past 6 months

You should now view the Company Management Report which gives the financial performance of Solar Power Systems Inc. and how the business has been managed during the 6 months before you started running the company.

This can be downloaded from the same page where you downloaded this Company Profile.



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