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ENTERPRISE **0454/12**

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INSERT **1 hour 30 minutes**

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INFORMATION

- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.

This document has **4** pages. Any blank pages are indicated.

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The recycled coffee enterprise

The background

Having recently left school, Leo is employed in a popular local café. It is one of a chain of international cafés. He would like to continue his education but does not have the funds to pay for college.

The idea

One afternoon a regular customer, Elizabeth, asked Leo if she could take home some of the leftover coffee grounds. Leo was confused by this request. He asked her why she wanted coffee grounds that could no longer be used to make coffee. Elizabeth explained that adding coffee grounds to a garden helps plants to grow.

The café manager agreed that as the coffee grounds would usually be put into the wastebin, Leo could give some to Elizabeth.

The research

After work, Leo used one website to research the use of coffee grounds in gardens. He discovered that many people believe adding coffee grounds to soil can be harmful to plants.

The website suggested other environmentally friendly ways that coffee grounds could be used. These ways included as air fresheners, cleaning products and fuel. Leo decided to collect used coffee grounds from the café and try some of the ideas.

The experiments

The next week Leo experimented. First, he tried using coffee grounds to clean dirty cooking pans; it worked. Next, he persuaded his brother to use coffee grounds to clean his hands after repairing his bicycle. The coffee grounds were as effective as his brother's usual cleaner.

With the experiments being such a success, Leo was keen to try other uses for coffee grounds. He carefully followed the instructions provided by the website to create a fuel source, a coffee log. After much effort, he produced a coffee log to burn in the stove. The coffee log was a success. His family commented upon the lovely smell coming from the stove and they asked Leo to produce some more coffee logs.



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The options

The next time Leo saw Elizabeth, he explained the results of his research and experiments. She asked Leo if he could write down the instructions for making coffee logs. When Elizabeth left the café, she took the instructions and two more bags of used coffee grounds.

This conversation gave Leo an idea. He could produce a booklet of ways to recycle used coffee grounds. The booklets could be placed in the café. Any customers interested in trying the ideas in the booklets could help themselves to bags of used coffee grounds free of charge. Leo believed providing the booklets would benefit both internal and external stakeholders. He thought that providing this extra service could improve customer satisfaction, with the added benefit of reducing the amount of waste coffee. Leo decided to write a detailed proposal, explaining the benefits of the booklet, which he intended to present to the café manager.

The decision

As Leo is writing his proposal, he realises that printing the booklets and packaging the used coffee grounds will cost money. However, he believes that customers may be willing to pay a small fee to purchase the booklets. This gives Leo another idea. Instead of providing instructions on how to use the coffee grounds, he could set up an enterprise producing and selling coffee logs.

Leo knows from his experiments that although producing the coffee logs takes time, there is little cost involved especially as the coffee grounds would be free of charge. Leo is sure that if he sells a large amount of coffee logs, he will be able to make this a profitable enterprise. Leo decides to calculate the potential profits of each option. He expects the manager will need to include the profit from the booklets in his financial records. There is a large amount of planning to do before Leo can decide whether to present the idea to his manager or set up his own enterprise.

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