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Global Business Challenges (Online Exam)

1/ Evaluate the implications of Covid-19 for business, use real world examples in your answers.

Covid-19 has challenged many businesses world wide, with a new virus that no one had knowledge about, spread so quickly affecting many. We have seen businesses close whether it is a popular well known big company or a small local business. Many people have lost their careers around the world. Businesses have had to think quickly of ways to save their business and make sure they are still making enough profit to keep everything running smoothly. Of course this isn't easy as they have never experienced anything like this before.

Many businesses have turned to social media for help in this crisis, which seems to have helped massively. With people self isolating unable to go out shopping, or even in worst cases shops have had to close as they are non-essential. Businesses have promoted themselves on social media like facebook, twitter and instagram to get people to shop online at their store and to keep supporting locals. Cafes/small supermarkets have been doing delivery services for their locals which have actually said that they have been busier than ever. Even local clothing boutique shops have been posting their clothing all over social media offering free delivery as they close the doors to their customers. Some have produced videos showing all customers online their stock which has been a massive success for some.

A local milk farmer called Ifan Beynon Thomas from Llanelli struggled massively during lockdown. Much of the milk produced at the farm was going to suppliers for the hospitality industry, most of which were closed due to the lockdown which led to around 6,000-7,000 litres of the milk that was produced daily, being poured straight down the drain. They worked hard for nothing, waking up early each morning to milk the cows only to be throwing it all away down the drain. It was costing them more to

produce which meant they were losing out on a lot of money. It was a worrying time for all the family and as a business they had to come up with an idea to survive. Ifan decided on a new business venture which he hoped would solve all problems. The farmer built a little hut for milk vending machines which is between Llangenech and Hendy. The vending machine offers pasteurised and unhomogenized milk, which means that all pathogens are removed and all the fats rise to the top of the milk making a creamier consistency. The vending machine also offers different flavour milkshakes which are all filled into old-fashioned glass bottles. Due to the place being open 24/7 the family was amazed at how busy it would be at even 2.00AM with people queing for fresh milk. On numerous occasions they ran out of stock. Business is now busier than ever for Ifan and his family again with the help of social media his sales increased massively. Customers have said they ventured to the vending machine after seeing other customers posting pictures all over social media. This proves that social media actually helps businesses in a massive way. Although this has worked great for Ifan and his family which of course at the beginning lost so much money, the business was very lucky to be able to come up with a new plan to make money and survive, this isn't the case for other businesses.

Big companies called DW sports have also gone into administration. The company said it's income was hit by the government-enforced closure of gyms and stores due to Covid-19 lockdown. DW Sports operated 73 gyms and 75 retail sites across the UK.

Staff are lucky to be put on furlough scheme which has helped many, this is to help many businesses to keep staff rather than laying them off.

Although after 3 months the employers had to make contributions towards these payments which did result in some staff being laid off. But with Covid-19 still ongoing with restrictions changing often, furlough has been extended till April 2021.

The government has also put in place loans and small business grants. Of course businesses will have to pay this back, some are 12 months interest free but after that interest will be added on. This is something businesses

have had to take into consideration and not all have been able to do this with so much money owing back to the government schemes.

Some small businesses close because they're in industries such as accommodation, food service, and education services that are affected by changed customer behaviour, especially the physical sitancing and restrictions that have begun during the pandemic. The beauty & hair industrie were the last to reopen when restrictions started to ease. But these businesses struggled due to social distancing rules and having time in between each client to clean down the area. This means that only a certain number of customers were allowed in at the same time, less staff allowed in on the same day and also giving themselves time to clean in between would take up that time they would normally have with a customer. Beauty industries were only allowed to carry out certain treatments also which affected their income massively. Popular spa's feared closing as they went from having 6-8 staff working on the same day to having only 3 staff. Saturday would be the busiest day for Spas bringing in 30 spa guests, but with restrictions changing what would be a busy Saturday, Spas would only bring in 8 guests in. which is a massive decrease in income. Many businesses are still facing struggles whether it's financially or not having enough staff due to people self isolating for so long and if they have caught the virus some experience the effects for months afterwards.

2/ Referring to examples explain how a circular economy approach can benefit the economy of a country/countries.

Circular economy could deliver benefits such as reducing pressure on the environment, increasing competitiveness, improving the security of the supply of raw materials, stimulating innovation, boosting economic growth and creating jobs. If we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life.

Parliament wants Europeans to switch to a circular economy by using raw materials more efficiently and reducing waste.

Every European consumes on average 14 tonnes of raw materials per year, and produces, every year, five tonnes of waste. The waste, products and materials could be reused, repaired or recycled. Circular economy will help extend the lifecycle of products. To do this they need to reduce the use of raw materials and the production of waste. Recycle things that can be recycled. EU target for recycling at least 55% of municipal waste by 2025; this target would rise to 60% by 2030 and 65% by 2035. By 2035, no more than 10% of municipal waste would be deposited in a landfill. Waste has a negative impact on the environment, climate, human health and the economy.

There are many different ways to help with the circular economy whether it's technology, footwear or clothing.

Companies such as Timberland have partnered with Omni United, a tire manufacturer, and distributor to produce footwear using recycled tires. Once Timberland Tires have reached the end of their product life, they are shipped to a recycling facility and turned into crumb rubber. This crumb rubber is processed into sheet rubber for the outsoles of Timberland shoes.

Pharrell Williams has joined the circular economy with his clothing line RAW for the Oceans, which recovers plastic found on the shoreline into wearable fashion, such as jeans, graphic t-shirts, and even kimonos. This is done by breaking down plastics and turning it into a wearable clothing fiber called Bionic Yarn. If companies like these did their bit, it would benefit all countries across the world.

Germany, UK and France have the highest circular economy scores, they have good recycling systems and high levels of innovation in circular economy sectors. In France they have to take their own waste to a certain area where everything is labelled to make sure they recycle properly.

Glass, wood, plastic, metal, paper and food waste have their own bigger collective bins scattered in each area.

The benefits of this new circular economy for a region like Wales would be manifold, cost savings throughout industry, increased resilience to

economic and political shocks, innovation, the potential for job creation, land productivity and soil health, and, more generally, a positive economic climate. Automobile, electronic equipment and machinery have been calculated a potential impact of up to £1.3bn a year in material cost savings. moving to a circular economy would enable a lower dependency on raw materials, making the Welsh economy more resilient to price volatility and supply chain risks. Higher land productivity, less waste in the food value chain, and the return of nutrients to the soil can enhance the value of land and soil as assets. The circular economy, by cycling biological materials through anaerobic digestion or composting processes and back into the soil, reduces the need for replenishment with costly additional nutrients.

We all have a big part to play in the circular economy and can also help massively. Many people with mobile phones tend to upgrade after their 12 or 24 month contract ends. Even when there is nothing wrong with their mobile, it could be in great condition but they still upgrade. Many households have up to 5 electronics in their house, they are unused but have kept for spares or they are unsure on how to recycle them. Recycling these elements would lead to less depletion of natural resources and would also mean that the device did not go to landfill. Just like the smartphone market, technological innovation in manufacturing has sped up and has shortened product life cycles so that industrial professionals feel pressured to buy more technology for the factory floor. When a component breaks down, you can tap into either the linear economy of take, make, use and dispose, or the circular economy. The circular approach would be to send your broken equipment to a recycler, who can disassemble it and recycle the parts. There are also many stores who will take unwanted devices, and sell it on as the device works perfectly fine or easy to fix, this saves devices being thrown away for no reason.

We can also help by recycling old furniture, there are many stores that will take old furniture to upcycle them and sell them again. Again this stops unwanted waste, due to fashion trends always changing, people tend to buy the new best thing. You could sell your unwanted furniture online and make full use of the furniture instead of it going to waste. It is easy to fix

them and paint them to make them look like new again. Also with unwanted clothes there are many clothes banks locally and there is also a charity which posts clothes bags to households to donate unwanted clothing. You could also sell unwanted clothes online which is all easy to do and help the circular economy. Also things like glass bottles and plastic containers could be easily reused instead of throwing it away and using them to refill with your favourite products or for craft.