

Topic 1.1: What Is a Business?

LO: 1.1.A, 1.1.B | Skill: 1.A, 2.A | Canvas: Task 1

Teacher Notes — Brew & Brood Case Study

Read this page before running the case.

Purpose	Students analyze how an entrepreneur identifies a customer problem, need, or want and creates/captures value, applying LO 1.1.A and LO 1.1.B to a fresh scenario.
Best used	After the slides and Guided Notes, OR on Day 2 of a PBL sequence, OR in the second half of a block period.
Estimated time	20–30 minutes total: 10 min read, 10–15 min analysis, 5 min AP-style writing.
Grouping	Pairs or small groups (3–4). Independent work is fine for advanced classes.
Materials	Print the student-facing case (next page) one per student. Have this Teacher Key on your desk or screen.
Collect / grade	Optional. Recommended as participation or classwork. The AP-style writing prompt can be a low-stakes formative.
Extension	Have students revise their own Business Canvas Task 1 worksheet after completing the case — the case often shifts how they think about 'customer problem.'

Suggested discussion questions (for whole-class debrief)

- Which customer segment has the clearest problem?
- Which problem appears most urgent in the data?
- Where does Brew & Brood create value? Where might it fail to?
- How could Brew & Brood capture value beyond the per-tea margin? (Memberships? Snack upsells? Game sales?)

Brew & Brood — Picking the Right Customer Problem

An original BizPath case. No CB-protected business is referenced.

Background

Riley Chen is a high school senior in a college town. State University, with about 18,000 students, sits a 12-minute walk from a strip of older buildings where rent is still affordable. Riley wants to open a small café when she graduates. Her idea: **Brew & Brood — a tea bar and board game lounge**. Customers buy tea and snacks and can borrow board games (Riley owns over 90 of them) for as long as they sit there.

The decision Riley faces

Riley believes her business will succeed because she's solving a real customer problem. The challenge: she sees three different customer problems her café *could* solve. Before she designs the menu, sets prices, or talks to landlords, she needs to pick the ONE problem that anchors the business. The wrong choice now will haunt every other Decision later.

Riley's three options

Option A — Anchor on boredom. Riley positions Brew & Brood as a fun alternative to scrolling phones on weeknights. She'd market it as 'where Tuesdays don't have to be boring.' Tea is cheap. Games are free. The focus is entertainment.

Option B — Anchor on the 'third space' need. Riley positions Brew & Brood as a non-bar, non-library hangout — a third space where students who don't drink (or don't want to spend \$12 on cocktails) can still gather. The focus is community and belonging.

Option C — Anchor on group-hangout cost. Riley positions Brew & Brood as the cheapest way for a group of friends to spend three hours together: tea is \$3, games are free, and tables fit four to six. The focus is affordability for groups.

Data Riley has collected

Figure 1. Survey of 80 State University undergraduates (non-random convenience sample at the student union).

Why would you come to Brew & Brood?	% of 80 students who chose this as their #1 reason
I'm bored at night and need something to do	28%
I want a chill hangout spot that isn't a bar or library	41%
I want a cheap way to hang out with friends in a group	23%
Other	8%

Figure 2. Same 80 students' answers to follow-up questions.

Question	% answering 'yes'
Would you visit alone?	31%

Would you visit with one friend?	62%
Would you visit with a group of 3 or more?	78%
Would you bring family who isn't a college student (e.g., a visiting parent)?	44%

Reading questions

- 1 Describe Brew & Brood's product. Is it a good, a service, or both?
- 2 Identify the customers Riley is considering. Are her customers and her consumers the same people? Use a specific example.
- 3 Riley believes she is creating value for State University students. List two ways the data supports this and one way it raises doubt.

Analysis questions

- 1 For each of the three options, identify the customer problem Riley would be solving. Which option does the data most strongly support? Explain.
- 2 Explain why Riley cannot anchor her business on all three problems at once. Reference the concept of problem-solution fit.
- 3 Brew & Brood plans to charge \$3 per tea. Riley estimates her cost per tea is \$1.40. Explain whether Brew & Brood is set up to capture value, and what one piece of MISSING information you would need to be more confident.

AP-Style Writing Prompt (5–7 minutes)

Recommend one of the three options for Riley to anchor Brew & Brood on, and **explain** why your choice creates the strongest problem-solution fit for her customer base. Use at least two specific pieces of evidence from the data tables to support your recommendation.

Answer Key + Facilitation Moves

Sample answers — Reading questions

- **Q1.** Brew & Brood offers BOTH a good (tea and snacks — physical goods) AND a service (the in-café game-borrowing experience and the seating/space). Students should note both elements.
- **Q2.** Customers are State University students (and possibly visiting parents). Customer and consumer are typically the same person, but they diverge when a friend buys tea for the group, or when a visiting parent pays for a student to come along. Either example earns credit.
- **Q3. Support:** 41% chose third-space as a #1 reason and 78% would visit in a group of 3+ — both support real demand. **Doubt:** the sample was a convenience sample (not random), so it may overrepresent students already inclined toward a café.

Sample answers — Analysis questions

- **Q1.** Option A solves boredom (28% support). Option B solves the third-space need (41% support — the strongest signal). Option C solves cost-of-group-hangouts (23%). The data most strongly supports Option B. Strong responses will tie B back to the 78% group-visit data, which compounds the third-space appeal.
- **Q2.** If she tries to be all three, her menu, pricing, marketing, and even her space layout would point in different directions (e.g., for cost-focused groups, larger tables; for solo boredom-fillers, cozy single seats). Problem-solution fit requires choosing ONE problem so the product can be designed to genuinely solve it.
- **Q3.** \$3 sell price > \$1.40 cost = positive per-tea margin → can capture value at the unit level. MISSING info: fixed costs (rent, utilities), expected daily volume, or labor cost. Without that, we can't confirm she'll capture value at the business level.

AP-Style prompt rubric (4-point holistic)

- **4 — Strong:** Clear recommendation; uses 2+ data points; correctly references problem-solution fit; acknowledges trade-offs of the rejected options.
- **3 — Adequate:** Clear recommendation; uses 1–2 data points; correctly defines problem-solution fit; reasoning is mostly sound.
- **2 — Developing:** Recommendation present; limited or vague evidence; reasoning has gaps.
- **1 — Limited:** Either no clear recommendation or no evidence-based reasoning.
- **0 — Insufficient.**

Discussion moves to lift the conversation

- If most students pick Option B too quickly, push back: "What might Riley LOSE by ignoring the 23% cost-group customers?"
- If students argue she should do all three, redirect to the concept of focus and ask them what a confused brand looks like to a first-time customer.
- Tie the case to the Canvas Project Task 1 students will start next — same skill (identifying customer problem), different scope (their own idea).