

SWOT and the Doughnut

A lesson to integrate regenerative and distributive business design principles from the Doughnut Economics Action Lab into the core SWOT analysis content.

Tool/Topic: SWOT, Ethics and Sustainability

Learner Profile | ATL: Thinkers | Critical thinking: transfer

Subject: IBDP Business Management HL/SL

Syllabus links

[1.3 Business objectives](#) (best Subtopic in which to teach the lesson)

[1.4 Stakeholders](#) (students do not need to have covered this)

[1.1.5 SWOT Tool](#)

[1.1.6 Business Plan Tool](#)

Time Allotment:

2 x 40 minutes or
1 x 80-90 minutes

The lesson can be divided into two sections if you have 2 x 40 min.

Materials:

[SWOT and the Doughnut Slides](#)

[SWOT and the Doughnut Worksheet](#)

Prior Knowledge / Notes

The lesson is best used in [Subtopic 1.3 Business objectives](#) and develops understanding of regenerative and distributive business design (from Doughnut Economics) to support ethics and sustainability. Students engage with these concepts while practicing SWOT analysis with a business that has ethical/sustainable objectives and practices.

The lesson assumes that students have already been taught SWOT.

Ideally students have also covered [1.1.6 Business Plan Tool](#), though this is not essential to the lesson.



Part 1: Introduction | Time: 2-3 minutes | Slides: 1-4

(Slide 2) Remind students of the importance of ethical and sustainable practices for all businesses, not just social enterprises.

You may want to project the concept box from the start of Section 1.3 Business Objectives on the board if you can. This will remind students about why businesses have these responsibilities. This prompt is included in the slides.



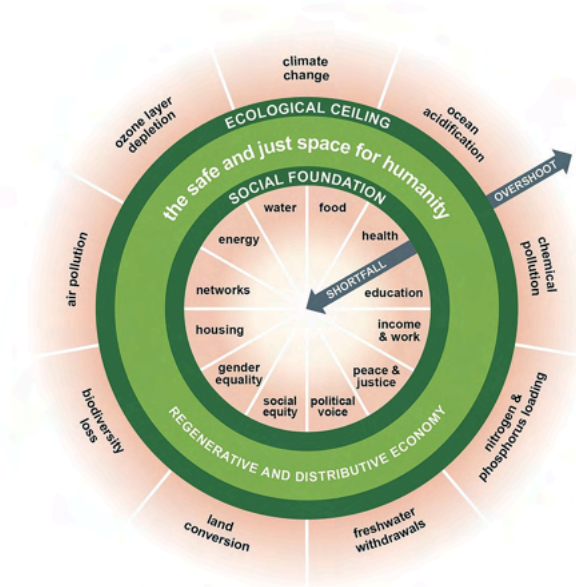
Concept

Ethics

There are important ethical issues tied to business activity. Setting up a business means creating a dense network of people with relationships and responsibilities to each other and to the environment on which we all depend.

(Slide 3) Explain to students that meeting ethics and sustainability objectives requires that a business is meeting the needs of a range of stakeholders, within the boundaries of planetary systems.

This picks up on ideas from Section 1.1.3, when students learned about the Doughnut Economics model. If you feel it is helpful, you can project the Doughnut Economics model on the board and point out the social foundation in the center and planetary boundaries on the outer ring. The goal is to get into “safe and just space for humanity” where human needs are being met within planetary boundaries. This image and prompt is included in the slides.



(Slide 4) However, explain to students that behaving ethically and sustainably is not only about the purpose and products of a business. The design of the business itself plays a large role in whether the business can meet its ethics and sustainability objectives.

Part 2: Video from 1.3.5 | Time: 18 minutes | Slide 5

(Slide 5) Explain to students that they will now watch a video that explains how businesses can pursue ethics and sustainability objectives by designing, or re-designing the business itself to become more regenerative and distributive.

Explain that when the video is finished, the class will discuss the focus questions of the activity to make sure the students understand the main ideas.

Show the video to students. The video is in an activity at the very end of Kognity section 1.3.5. You can also access it from the slides.

Part 3: Discuss the video using focus questions | Time: 15 minutes | Slides 6-14

When the video is finished, discuss the focus questions from the Section 1.3.5 Activity (answers are not included in the book, but are included here in orange):

1. What are the five possibilities for business strategies around sustainability according to Raworth? (Hint: the first one is 'do nothing'.)

Do the Doughnut (be regenerative and distributive)

Do mission zero

Do your fair share

Do what pays now

Do nothing

2. What are the five areas of internal design that affect whether a business is regenerative and distributive (“doing the Doughnut”)? What does a business need to do in each design area to become regenerative and distributive?

Purpose: meet human needs within planetary boundaries

Networks: building strong, collaborative and distributive relationships with customers, suppliers, employees, government, communities and partners

Governance: ensuring that at business objectives target multiple stakeholders, and incentives reward management for social and ecological success

Ownership: choosing an business / ownership type that is more likely to distribute profits widely and reinvest surpluses into social and ecological objectives

Finance: using sources of finance that prioritise social and ecological objectives above maximising profits, profit sharing with employees and communities, dividend caps, special funds for socially or ecologically transformative projects, etc.

3. In Subtopic 1.2, you learned about the various legal structures for businesses. Can you find any connections between those structures and the five areas of regenerative and distributive business design?

Some types of business are more likely to support purpose-led businesses, with strong governance to support distributive networks financed by investment money that prioritises social and ecological objectives. In Subtopic 1.2, you learned about:

- **Cooperatives:** businesses that are owned by their members. These members run the organisation in their common interest, using democratic governance; the value created by the organisation is distributed to cooperative members.
- **For-profit social enterprises:** revenue and profit-making businesses, that integrate social and/or environmental impact directly into their business models; most surplus is likely reinvested, but some surplus may be distributed to owners
- **Non-profit social enterprises:** social enterprises that produce goods and services to meet human and ecological needs; all surpluses earned must, by law, be reinvested back into the business

4. (If you have covered business plans) How could you include regenerative and distributive design principles into a business plan (see Business Plan Tool)?

An entrepreneur could design a new business to be regenerative and distributive through thoughtful writing of the business plan, locking in structures and practices that will create a more responsible business by design.

Revisiting the Business Plan Tool with students can help them identify areas of a business plan that could be designed to be more regenerative and distributive.

| |
|--------------------------------------------------------------------------|
| 1. Executive Summary |
| 2. Mission / Vision |
| 3. The Problem |
| 4. The Solution |
| 4.1 Overview |
| 4.2 Value proposition |
| 4.3 Type of organisation |
| 4.4 Human resources |
| 4.5 Location |
| 4.6 Facilities |
| 5. The Market (or social/partnership ecosystem if not a business) |
| 5.1 Competition (Partners) |
| 5.2 Position in the market (Relationship with partners) |
| 5.3 Unique selling points (Value proposition) |
| 6. Marketing / Communications Plan |
| 6.1 Marketing / Communications objective |
| 6.2 Target market / Audience |
| 6.3 Marketing / Communications budget |
| 6.4 Market / Target audience research |
| 6.5 Limitations of market / Target audience research |
| 7. SWOT |
| 7.1 Strengths (internal) |
| 7.2 Weaknesses (internal) |
| 7.3 Opportunities (external) |
| 7.4 Threats (external) |
| 8. Sources of Finance |
| 9. Budget |
| 10. Milestones |

The **Purpose** of the business will be spelled out in the **Mission / Vision** (Part 2 in the sample above) and the **Problem** (Part 3) that the business is trying to solve. Here, a regenerative and distributive business will be explaining how it will meet human needs within planetary boundaries.

The **Networks** and how the business will distribute value will be spelled out in the **Value Proposition** (Part 4) of the business and in the **Market**, where it can list partners and relationships.

The **Governance and Ownership** as ways of distributing value would be spelled out in the description of the **Type of Organisation** (Part 4).

The **Finance** sources, distribution, objectives, etc. would be found in the **Finance and Budgets** sections of a business plan.

It is important to remind students that business plans do not have a set structure. Certain elements are expected, but if a business wanted to emphasise its regenerative and distributive goals, it could structure the plan to highlight those.

The lesson could be stopped here and picked up in a second 40-45 minute session if necessary.

Part 3: Connecting to the SWOT | Time: 30 minutes | Slides 16-19

Explain to students that:

- The five regenerative and distributive design principles can be used in a SWOT analysis. If needed you can use the interactive SWOT diagram in **Figure 1** of Section [1.1.5](#) to remind students of SWOT elements.



Figure 1 from Section [1.1.5](#) - the version in the book has interactivity built in to help remind students of factors they can consider for internal and external factors

- When a business incorporates regenerative and distributive design thinking into its business structure and objectives these can be considered **internal strengths**. Regenerative and distributive business design makes a business more resilient through stronger and more diverse networks and relationships with stakeholders. When a business lacks regenerative and distributive design, it can be considered an **internal weakness**.
- Including regenerative and distributive design in the business also makes it more responsive to **changes in the external environment**: sociocultural and ethical pressures to improve equity; environmental, political and legal pressures to improve the use of environmental resources and prevent waste. Society is demanding more responsible behaviour from businesses, and improving business design will help businesses respond to those external pressures, **creating business opportunities** and **reducing external threats**.

Explain that students will now apply their understanding of these principles, and the SWOT generally, by examining a business that has been trying to incorporate some of these principles into its design and operations.

Distribute the [SWOT](#) and the [Doughnut Worksheet](#), or make it available on your digital platform. Instructions are on the worksheet. This activity can be done alone, or in small groups. Overview:

1. Students select one of the businesses from the list that they are interested in. They look for evidence of regenerative and distributive business design from the business' own website in the areas of purpose, networks, governance, ownership, and finance.
2. Students then use the information from the first activity to complete a SWOT. They add more information related to the business management functions and the external environment, using additional sources from the internet if they can find them. They can also use their own knowledge about changes to the external environment that are opportunities or threats to this business.

Part 4: Reporting out / feedback | Time: varied

There are a number of options for sharing information and providing feedback, depending on the amount of time you want to take.

You could:

- As students work, move between the individual students / groups and answer questions, confirming their work as they go, or offering suggestions for improvement - this does not require additional time beyond the time allocated for the activity and enables instant feedback and support.
- Select several of the businesses and ask students who worked on that business to report out one strength, one weakness, one opportunity and one threat. You can then confirm with the other students that these have been correctly classified (focusing on whether the student(s) have identified internal vs. external factors).
- If in groups, each group could share their findings with the class. Each group's SWOT could be projected and discussed. This would take the longest and may require another class lesson to do.
- Students could turn in their work to the teacher and the teacher could provide feedback on the SWOT, confirming that students have classified the information correctly in the SWOT.

Part 5: What next?

The video on regenerative and distributive business design used in this lesson appears in Section 1.3.5 of the Kognity book.

The next Section [1.3.6](#) teaches students about circular business models. This is a perfect follow-up to the lesson. Circular business models are considered regenerative in terms of product and process.

However, they are not always distributive. Businesses using circular strategies would also need to design the networks, governance, ownership and finance of their businesses to have a better chance of meeting ethical and sustainability objectives. As you work with students to learn about circular business models, remind them about regenerative and distributive business strategy and design to support their transfer of understanding to the new material.

