

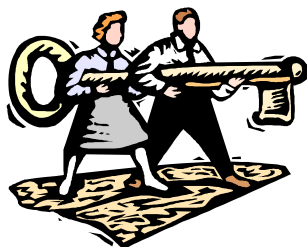
BTEC First Diploma/Certificate in Business

Wilsthorpe Business and Enterprise College

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| Unit Number: Unit 9 |
| Unit Title: Exploring Business Enterprise |
| Teaching hours: 60 |

Running your own business is a dream that many people have at one time or another. Turning that dream into a successful business venture is a challenging task and one in which many will fail. Many new businesses are started with little thought, either about the business itself or the process of preparing for business. Any small business operation will cost money to run and that money is at risk if proper steps are not taken to prepare properly for business.

This unit will take you through the stages of preparing for business, the different aspects that affect preparation and the knowledge, skills and understanding that you will need to start and run a business if you ever should choose or have the opportunity to do so.



Case Study

Claire and Mischa are both 18 years old, and are considering whether to start and run a business together. They both like the idea of starting a house-cleaning business in their town.

Claire is quiet and shy, but organised and good at keeping records and accounts, having successfully completed an accounting qualification recently. She has saved £1000 to invest in the business venture.

Mischa is extrovert, knows lots of people in the town as her parents run the main supermarket, and has just completed a marketing qualification. She has £100 saved to invest in the venture, and also owns a van.

Both girls are about to start degree courses and want the business to be successful to help finance their university fees. They will both have two days of lectures per week, but will be available to run the business on the other five days per week.

They have researched their idea, and have found out that there are only two similar businesses operating as sole traders in their town of 87,000 people.

They will not need premises, but will need a phone line, phone, answer machine, two Dyson cleaners, and a supply of brooms, mops, dusters, window leathers and cleaning potions. They calculate that their initial outlay will be £500. They want to pay themselves £80 per week each.

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Pass 1

Describe how knowledge of personal strengths and weaknesses can be applied to preparing for and contributing to a business

1. **Describe** how Claire and Mischa's personal strengths and weaknesses can be applied in their preparation for business
2. **Describe** what will be their individual strengths and weaknesses in contributing to the running of the business
3. **Describe** your personal strengths that you have that you could draw on when preparing for **and** contributing to a business (remember you will be running the business)
4. **Describe** your personal weaknesses that you have that you need to be aware of when preparing for **and** contributing to a business (remember you will be running the business)

Merit 1

Explain, using examples, the benefits of running a business

1. Using 3 examples, **describe** the benefits of running your own business

Distinction 1

Evaluate the issues that need to be considered when starting and running a business

1. Write a report explaining what things need to be considered when starting and running a business. Are some things more important than others? Does it depend on the person who owns the business?
2. Come to a conclusion and make sure that you have answered the question

Distinction 2

Make and justify recommendations for starting a business

1. Argue the following question:
'There is no point setting up a new business as 1 in 3 new businesses fail'

You need to put both sides of the argument across and then reach a conclusion

Key Skills

Improving own learning and performance

LP2.1 – Assessing own strengths and weaknesses in relation to starting and running a business

LP2.2 – Assessing own contribution to a business and the benefits of running a business

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Pass 2

Describe how regulations and laws for small businesses can affect preparation for business

1. Advise Claire and Mischa on the best legal status for their business, describing the advantages of the status selected.
2. Explain what laws Claire and Mischa will need to consider as part of their small business.
3. Explain the licenses and permits needed for setting up a cleaning business (you did this during a lesson on www.businesslink.gov.uk)
4. Explain why formal records need to be kept and the importance of keeping and completing correct records - you must **also** refer to Tax and VAT in this section.

Key Skills

Problem Solving PS2.2 – Identifying and resolving problems relating to starting and running a business

Communication C2.3 – Preparing a summary of proposals to start and run a new business

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Pass 3

Describe how small businesses prepare to market and sell products or services

1. Advise Claire and Mischa by describing to them the steps they should take to prepare to market their services.
2. Prepare a questionnaire which Claire and Mischa can use to find out what customers will be prepared to pay for different cleaning services.
3. Explain the reasons that Claire and Mischa would want to use questionnaires; remember to explain who you will target.
4. Prepare a marketing leaflet for Claire and Mischa to deliver to potential customers. Remember to include their USP.
5. Design an advert to be placed in Claire and Mischa's local free paper and shop windows advertising the business.
6. Describe in detail Claire and Mischa's marketing mix

Key Skills

Communication C2.3 – Preparing a summary of proposals to start and run a new business

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Pass 4

Describe the financial issues that can affect preparation for business

1. Describe the sources of finance that are available to new businesses such as Claire and Mischa's.
2. Explain the sources of finance that Claire and Mischa may use giving justification why
3. Explain what start-up costs (both capital and working capital items) Claire and Mischa will have when starting their cleaning business
4. Explain what operating expenses Claire and Mischa will have within their first year of trading
5. Explain why organising and controlling expenses will be important to a new business and the ways in which this can be done by Claire and Mischa.

Merit 2

Analyse the different aspects that will affect preparation for business

1. Analyse the different aspects that will affect the preparation for Claire and Mischa's business. (You must ensure that you cover regulations and laws for small businesses; marketing and sales; and financial issues)
2. What is the effect of each? (Identified below)

Key Skills

Communication C2.3 – Preparing a summary of proposals to start and run a new business

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| Assessment criteria addressed by this assignment: | P5 | M3 | | | | |
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Pass 5

Outline the contents of a business plan when starting and running a business

1. Collect a Business Plan Proforma from a Bank or Building Society.
2. Outline what is included in a Business Plan
3. Explain how a business plan will be used when preparing for start-up
4. Explain how a business plan will be used at start-up
5. Draw up an outline business plan for Claire and Mischa's business. Headings for the plan will include: the business name, the services offered, the business aims and objectives, the stakeholders, the legal status and the customer market (use the bank's example to help you).

Merit 3

Explain the components of a business plan and the reasons for preparing one

1. Explain why a Business Plan is prepared
2. Annotate the Business Plan, explaining what each section is used for

Key Skills

Application of number N2.1 – Interpret information from a suitable source

Communication C21a – Discussing business ideas, personal strengths and weaknesses and other aspects of preparing for enterprise with other learners

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| Assessment criteria addressed by this assignment: | P6 | | | | | |
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Pass 6

Describe the sources of advice and support available when preparing for business

1. Research what sources of advice and support are available to small businesses when they are preparing for business. Include any research that you have collected and annotate this research. (You could do a general search on the internet, use the yellow pages, use businesslink.gov as a starting point)
2. Prepare a presentation about one of the sources of advice that you have found. You should ensure that you are including:
 - Where to find the organisation
 - How to contact them
 - What support or guidance they can offer
 - Opening hours
 - Any other relevant information
3. Present your findings back to the rest of the group (you can do this in groups of 2 if you wish). Your teacher will sign a witness statement to say that this has been completed.

Key Skills

Communication C2.3 - Preparing a summary of proposals to start and run a new business