

Unit 2: Business Resources

Unit code:	D/502/5409
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

The aim of this unit is to develop learner knowledge of the range of human, physical, technological and financial resources required in an organisation, and how the management of these resources can impact on business performance.

● Unit introduction

At the core of every organisation are the human, physical, technological and financial resources that enable it to function. This unit will give learners a broad understanding of the importance organisations place on managing their resources efficiently in order to achieve their objectives. It is important that learners are able to relate their understanding of resource management to a real organisation. This will provide an essential link between theory and practice.

Understanding how these resources are managed is one of the keys to assessing how well the organisation is performing. The first part of this unit explores the range of human, physical and technological resources for a selected organisation. Learners will investigate the importance of managing these resources efficiently. The contribution that recruiting and retaining suitable staff can make to the organisation's performance is examined. The importance of managing the organisation's physical and technological resources efficiently is also explored.

For an organisation to survive its finances need to be sound and secure. The second part of the unit explores the sources of financial resources available to organisations. The level of an organisation's performance can be seen in its financial statements. The unit aims to develop knowledge and understanding of the financial statements and it underpins other financial units in the qualification. This part of the unit focuses on the interpretation and analysis of financial documents in order to highlight the need for the monitoring and control of costs and budgets. It is important that learners appreciate that poor management of resources can have a negative impact on an organisation's performance.

● Learning outcomes

On completion of this unit a learner should:

- 1 Know how human resources are managed
- 2 Know the purpose of managing physical and technological resources
- 3 Know how to access sources of finance
- 4 Be able to interpret financial statements.

Unit content

1 Know how human resources are managed

Human resources: staffing to meet changing business demands; coordination of team resources to meet targets; monitoring of team performance; liaison with other departments; establishment of professional culture eg levels of formality, separation of professional from private activities; provision of appropriate incentives; encouraging creativity and initiative; outsourcing versus in-house decisions

Maintenance of operation: adequate resources to meet tasks eg staffing, equipment, working capital, facilities, administration; monitoring; troubleshooting and problem solving

Human resources: recruitment and retention; suitably skilled staff; contracts of employment; job descriptions

Employability skills: suitable qualifications; experience in similar role; knowledge of products/services; experience of specific industry; effectiveness in meeting personal and team/departmental targets; ability to observe and raise professional standards of production/service delivery

Personal skills: patient; hardworking; able to work as part of a team; good interpersonal skills; cooperating with others eg line managers, colleagues; negotiation eg in seeking agreements, resolving conflicts, agreeing targets, agreeing budgets; interviewing skills

2 Know the purpose of managing physical and technological resources

Physical resources: buildings and facilities; materials and waste; plant and machinery; equipment including ICT; planned maintenance and refurbishment; emergency provision; insurance; security

Technological resources: intellectual property eg designs, drawings, text, music, video; accumulated experience and skills; software licences; protection via patents and copyrights

3 Know how to access sources of finance

Internal sources: owner's savings; capital from profits

External sources: banks eg overdraft, business loan, commercial mortgage, venture capital, hire purchase, leasing, factoring, share issues

4 Be able to interpret financial statements

Costs and budgets: costs managed to budget (fixed costs/variable costs, monitoring budgets and variances); breakeven; bidding to increase future resources eg capital grants, investment; provision of appropriate liquidity/working capital; provision of appropriate reserves to address emergencies/crises

Financial statements: profit and loss (purpose and use, measure of trading performance, establishing profit figures) and balance sheet (purpose and use, establishing net worth, business valuation)

Basic ratios: to determine solvency eg current ratio, acid test ratio; to determine profitability eg gross profit percentage; net profit percentage; return of capital employed; to determine performance eg stock turnover, debtors' collection period, asset turnover

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe the recruitment documentation used in a selected organisation	M1 explain how the management of human, physical and technological resources can improve the performance of a selected organisation	D1 evaluate how managing resources and controlling budget costs can improve the performance of a business
P2 describe the main employability, personal and communication skills required when applying for a specific job role [RL]	M2 assess the importance of employability, and personal skills in the recruitment and retention of staff in a selected organisation	
P3 describe the main physical and technological resources required in the operation of a selected organisation		
P4 describe sources of internal and external finance for a selected business		
P5 interpret the contents of a trading and profit and loss account and balance sheet for a selected company [IE]	M3 interpret the contents of a trading and profit and loss account and balance sheet for a selected company explaining how accounting ratios can be used to monitor the financial performance of the organisation	D2 evaluate the adequacy of accounting ratios as a means of monitoring the state of the business in a selected organisation, using examples

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P6 illustrate the use of budgets as a means of exercising financial control of a selected company	M4 analyse the reasons why costs need to be controlled to budget.	D3 evaluate the problems they have identified from unmonitored costs and budgets.
P7 illustrate the financial state of a given business.		

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

Key	IE – independent enquirers	RL – reflective learners	SM – self-managers
	CT – creative thinkers	TW – team workers	EP – effective participators

Essential guidance for tutors

Delivery

This unit is an introduction to the ways in which human, technological and physical resources are important to an organisation and how the management of these resources impacts on the performance of the business. Learners will need to be aware of the importance of recruiting and retaining suitable staff. However, the unit is only concerned with the paperwork involved in the recruitment of staff. Other aspects of the process are considered in more detail in the *Unit: Investigating Recruitment and Selection*.

A study of how organisations are run can be useful. If a supermarket shelf is empty, it could be because the item is unavailable from the supplier, it was not ordered, or there is a shortage of supermarket staff. Other relevant examples include people visiting an electrical shop and requesting help or information about an item they want to buy. They could find that they are unable to attract a salesperson's attention because they are busy or avoiding work by talking to a colleague. They may also find that even when they get hold of a member of staff, they are unable to answer their questions. This could initiate a discussion about suitability of staff. Management of business resources, such as facilities and technology, may be introduced at this point as learners need to be aware that organisations need suitable buildings, facilities and equipment. This can be covered by case studies and a visit to a local organisation. Many organisations have changed the way they work due to evolving technology. They need staff that can set up and maintain computer networks, and work areas need to be suitable for computer set-ups. In recent years, supermarkets have been changing over to using bar code readers at tills, which is quicker than having to tap in numbers or prices. This has led to differently designed till areas and work patterns. Staff now need to be trained to keep an eye on how quickly the food is stacking up at the other end of the conveyor belt and sometimes need to slow down a little to avoid overloading the customer areas. Companies also now need to be aware of the need to protect electronic works, for example music and video, via copyrights and patents.

The unit provides an opportunity for learners to consider the availability of internal and external sources of finance for a business. Learners should be encouraged to obtain information from banks (either in person or online) or via websites concerning overdrafts, business loans, mortgages, etc. The unit also provides an early introduction to the importance of managing budgets. Learners can draw on their own experiences to look at how they manage their own finances. They can easily identify sources of their own income and consider how they decide what is available for food, transport, clothes, etc. This can then be extended to a small business exercise. Learners could work in groups to look at starting a small business, its start-up costs and work out a budget. Alternatively, learners could be given a business scenario and allocated a particular budget. Over time, they could be given items that must be covered by this budget and make decisions on how it is to be handled.

Learners need to study the purpose and use of financial statements. Learners must understand the purpose of all items included in these statements and should understand how the items are calculated. This knowledge can be gained by looking at ready-prepared statements. With the use of spreadsheet templates, learners could also support and help in the preparation of these documents.

Another important aspect of financial management involves determining the solvency and profitability of companies by using accounting ratios. These may be introduced as early warning signs of trading difficulty. These ideas may be applied to case studies, and real business accounts may be adapted and simplified to offer comparisons and allow calculation of key ratios. Skills could also be developed by using the spreadsheet template, which could calculate ratios automatically.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to unit and structure of the programme. Whole class
Overview of employability, personal and communication skills. Whole class
Assignment 1: Recruiting and Retaining the Right People
Introduction to the assignment. Whole class
Individual activity:
<ul style="list-style-type: none">• research into selected organisation's staff profile• analysis of skill requirements• production and completion of recruitment documents
Introduction to physical and technological resources. Whole class
Assignment 2: The Impact of Non-Financial Resources
Introduction to the assignment. Whole class
Group research:
<ul style="list-style-type: none">• to identify resources• analyse the ways in which management of resources impacts on the organisation• assessment of the effectiveness of methods of managing resources
Group presentation
Preparing group presentation
Giving group presentation
Overview of financial resources. Whole class
Assignment 3: The Role of Financial Resources
Introduction to the assignment. Whole class
Tutor input:
<ul style="list-style-type: none">• costs• budgets• profit and loss account• balance sheets• accounting ratios
Practice exercises – learners complete individually:
<ul style="list-style-type: none">• feedback on exercises. Whole class and individually• learners write up their report individually
Supervised assignment work
Non-supervised study time and completion of assignments

Assessment

For P1 and P2, learners, describe the recruitment documentation for a specified job role. They start by identifying a particular job role and obtaining application forms and job description. They then draw up a list of the requirements for the post and describe the attributes they already possess or expect to possess by the end of the course.

For P3, learners should be aware of the main physical and technological resources required for the operation of a selected business. If the school or college is used as the business, classrooms and computer suites would be obvious examples.

For P4, the range of internal and external sources of finance should be more than just a list. The sources should be relevant to the selected business

For P5, learners should be given statements and be able to provide a brief written interpretation of the key elements of the trading and profit and loss account and the balance sheet, explaining the purpose of each element.

For P6, learners should be able to use break-even charts. They could be presented with a budget that has not been managed properly and identify the problems and suggest remedies.

For P7 learners should be able to use accounting ratios to show the financial state of a given business

For M1, learners should be able to show their understanding of how resources are managed by explaining how good management of human, physical and technological resources can improve the performance of the selected organisation.

For M2, learners should assess the importance of employability and personal skills to the selected organisation when they are recruiting new staff and attempting to retain existing staff. It is important that learners are able to link this assessment to their selected organisation. This may involve the selecting key skills that are most appropriate to the needs of the organisation

For M3, learners will extend their answer to P7, demonstrating that they can apply the use of various financial ratios. They should show the formulae of the ratios and their workings to demonstrate how they have arrived at their answer.

For M4, learners should show an awareness of the problems that can arise if costs are not controlled to budget. This can be demonstrated by looking at a given scenario and breaking down the various elements of the budget to determine why it is overspent and by identifying the problems that this will create for the selected organisation.

For D1, learners should assess the relative merits of the methods of the managing resources and to make judgements on the effectiveness of these methods in improving the performance of the selected business

For D2, learners will be expected to provide additional knowledge and understanding about accounting ratios. They would be expected to provide judgements about the sufficiency of ratios as a measure of how well a company is performing.

For D3, learners will build on the evidence provided for M4. They will evaluate the problems they have identified from poorly controlled budgets by looking at the potential consequences for organisation arising from the budget variances.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the assessment and grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, M2, D2	Recruiting and Retaining the Right People.	Brief from the HR manager asking for a leaflet describing the benefits of managing human resources and explaining the importance they place on staff having the employability, personal and communication skills which meet the company's needs. Completion of documentation for a specific job role.	Leaflet on the purpose of HR management and the importance of employing staff with the range of skills the company needs. Learners complete recruitment documentation for a specified job role. They start by identifying a particular job role and obtaining application forms and job description. They then draw up a list of the requirements for the post and describe the attributes they already possess or expect to possess by the end of the course.
P3, M1, D1	The Impact of Non-Financial Resources.	Working in a small group, select an organisation and investigate how the physical, technological and human resources can impact on the company's performance.	Group presentation on the main resources used by an organisation and the importance of managing these resources effectively.
P4, M4, P5, P6, P7, M3, D3	The Role of Financial Resources.	Learners interpret a given set of financial information on a selected organisation.	Report back to stakeholders on how financial resources impact on the performance of the business.

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Business sector suite. This unit has particular links with the following unit titles in the Business suite:

Level 2	Level 3
Business Purposes	The Business Environment
Financial Forecasting for Business	Business Accounting
People in Organisations	Accounting Systems
	Human Resource Management in Business
	Training in the Business Workplace
	Managing Physical Resources in a Business Environment

It is suggested that this unit should be completed before starting the Unit, Business Accounting.

This unit also links to the following draft National Occupational Standards in Accounting (February 2009), particularly PS1 and PS2.

Business and Administration NOS, particularly Unit 303.

Employer engagement and vocational contexts

For this unit learners should select an organisation and research the resources used by that organisation. Visiting speakers from local organisations would provide learners with a wider understanding of the range of resources that are used and managed in different sectors. Visits to organisations to observe at first hand how resources are utilised would complement the input from visiting speakers. Centres should develop links with local businesses. Many businesses and chambers of commerce want to promote local business so are often willing to provide work placements, visit opportunities, information about businesses and the local business context, and visiting speakers.

businessbritainuk.co.uk/ Provides information about business in Britain and has extensive links to other business and business news sites.

www.fsb.org.uk/default The Federation of Small Businesses provides information support and guidance about small businesses in the UK.

Many businesses provide information about themselves. For example, Unilever, can be found at: www.unilever.co.uk.

Indicative reading for learners

Textbooks

Bevan J, Dransfield R, Coupland-Smith H, Goymer J and Richards C – *BTEC Level 3 National Business Student Book 1* (Pearson, 2009) ISBN 9781846906343

Bevan J, Goymer J, Richards C and Richards N – *BTEC Level 3 National Business Student Book 2* (Pearson, 2009) ISBN 9781846906350

Coupland-Smith H and Mencattelli C – *BTEC Level 3 National Business Teaching Resource Pack* (Pearson, 2009) ISBN 9781846906367

Atkin B and Brooks A – *Total Facilities Management* (Blackwell Publishing, 2005) ISBN 1405127902

Dransfield R – *BTEC National in Business Student Book* (Heinemann, 2004) ISBN 0435455354

Dyson J R – *Accounting for Non-Accounting Students* (FT Prentice Hall, 2007) ISBN 0273709224

Fardon M, Adcock F, Birth I et al – *Advanced Business* (Osborne Books Ltd, 2000) ISBN 1872962041

Hall L, Torrington D and Taylor S – *Human Resource Management* (FT Prentice Hall, 2004) ISBN 0273687131

Health and Safety Executive – *Successful Health and Safety Management, 2nd Edition* (Health and Safety Executive, 1997) ISBN 0717612767

Holman P and Snee D – *The Improving Efficiency Pocketbook* (Management Pocketbooks, 2000) ISBN 1870471776

Institute of Leadership and Management – *Controlling Physical Resources* (ILM Super Series), 4th Edition (Pergamon, 2002) ISBN 075065886X

Mason R – *Finance for Non-Financial Managers in a Week* (Hodder Arnold, 2003) ISBN 0340849622

Journal

Facilities Management Journal (MPP Limited)

Websites

www.bbc.co.uk/business	BBC Business website
www.bbc.co.uk/news	BBC News website
www.becta.org.uk	British Educational Communications and Technology Agency
www.bized.ac.uk	Business education website including learning materials and quizzes
www.careers-in-business.com	Information on a variety of business careers
www.carol.co.uk	Online company annual reports
www.direct.gov.uk	Gateway to public services
www.eubusiness.com	Online business information service about the European Union
www.examtutor.com/business	Support for teachers and learners
www.fenc.org.uk	Products and services for organisations involved in education
www.ferl.org.uk	Educational resources for learning
www.jisc.org.uk	Joint Information Systems Committee (guidance and advice for further and higher education)
www.learnthings.co.uk	Learnthings – providers of interactive digital resources
www.lsd.a.org.uk	Learning and Skills Development Agency
www.marketingteacher.com/ Lessonstore	Free marketing resources
www.nln.ac.uk	National Learning Network
www.peoplemanagement.co.uk	The online magazine of the Chartered Institute of Personnel and Development
www.projectalevel.co.uk	Project A Level revision resources for learners
www.rdn.ac.uk/news/headlines	Resource Discovery Network – a gateway to internet resources for learning, teaching and research
www.statistics.gov.uk	Official UK statistics
www.s-cool.co.uk	A-level and GCSE revision material
www.thetimes100.co.uk	Free materials and case studies

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
Independent enquirers	carrying out research into the human, physical and technological resources of a selected organisation
Reflective learners	reflecting on the impact resources on business.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
Independent enquirers	planning and carrying out research
Creative thinkers	looking at job specifications and developing their skills as circumstances change
Reflective learners	setting goals, with success criteria, for researching businesses inviting feedback on their own work and dealing positively with praise, setbacks and criticism evaluating their experiences and learning to inform future progress
Team workers	working in a group to discuss ideas about resources and prepare materials for presentations taking responsibility for their own role managing activities to reach agreements and achieve results
Self-managers	seeking out challenges or new responsibilities and showing flexibility when priorities change dealing with competing pressures, including personal and work-related demands responding positively to change, seeking advice and support when needed
Effective participators	planning and carrying out research into the different resources used in business.

● Functional Skills – Level 2

Skill	When learners are ...
ICT – Use ICT systems	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	using spreadsheets when they are investigating the importance of monitoring budgets
Bring together information to suit content and purpose	using PowerPoint to give a presentation for Assignment 2
Mathematics	
Understand routine and non-routine problems in a wide range of familiar and unfamiliar contexts and situations	using budgetary information
Identify the situation or problem and the mathematical methods needed to tackle it	applying ratios to budget information
Draw conclusions and provide mathematical justifications	interpreting financial information
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	giving presentations
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	writing reports linked to their assignments.