

Unit 19: Pitching for a New Business

Delivery guidance

Approaching the unit

This unit allows you and your learners to re-enact a series of your very own 'Dragon's Den'. It allows you to harness your learners' dreams and aspirations and encourage them to be ambitious and successful. Some of your learners may associate success and wealth with being a professional footballer, a model, a pop star or even by winning the lottery. This unit shows the potential of achieving success by developing a business idea, with hard work and determination.

However, you need to give a realistic overview and include not only the benefits of being your own boss but also the drawbacks and risks. Learners have the opportunity to examine role models who have built businesses from scratch, who have started their business from their garage and who illustrate the typical 'rags to riches' case histories.

This unit has some practical elements and concentrates on transferable and employability skills. The start of the unit concentrates on ideas and innovations in relation to products and services, giving an opportunity for learners to examine new technology such as apps, computer games, contactless payment methods and the development of drones. It is a good idea for you to include examples of successful inventions and innovations as well as less successful ideas. Help learners to devise a system for assessing different ideas.

The unit then examines different aspects necessary for a business plan. Your learners may have an opportunity to use prior learning from other relevant units (depending of course on when you schedule this unit). The final part of the unit is delivering the plan and pitch for their idea and evaluating their performance.

A range of delivery methods is important, including discussion, case studies, role plays, presentations, researching organisations and statistics on, for example, the number of new business start-ups. Learners benefit from a range of different approaches incorporating games and competitions. Video clips (*Dragons Den*, and *The Apprentice* are obvious examples) and websites such as 'Pitch to rich #Voom' (www.virginmediabusiness.co.uk/pitch-to-rich/) may be useful. Visits to different local organisations could also illustrate the benefits and risks of being an entrepreneur first-hand. You could also employ guest speakers and link this to career options and employability skills.

Delivering the learning aims

Your learners need to be well prepared for their assignments, so it is important that they compile a portfolio with notes, activities and research. You may wish to instruct them to organise these materials in sections relating to each learning aim as well as a section for general use. You could also instruct learners to compile a glossary of relevant terminology as an ongoing activity. You need to demonstrate how your learners can find facts about organisations, entrepreneurs, ideas and business plans by introducing them to textbooks, specific websites, journals, business start-up statistics, and explain abbreviations and key terms. Stress the importance of using up-to-date resources.



To start this unit, you could ask learners to produce notes on what they want to achieve from their working life, identify and examine common and popular ambitions such as being rich and famous, then discuss possible routes for them to achieve their aims, this will lead on to a discussion of what an entrepreneur is.

You can then discuss the unit duration, content and assessment and lead a discussion to determine prior relevant learning from other units.

To deliver learning aim A, case studies could be used to identify ideas, skills and methods employed by a range of successful entrepreneurs. Looking at success stories of entrepreneurs or business ventures that are familiar to your learners (a helpful list can be found at www.thisismoney.co.uk) will help encourage and motivate them.

Case studies should explore a range of business models and processes and forms, including both products and services, and can cover inventions, innovations, legal and financial instruments. Learners can explore this in more detail through individual research and develop their own ideas. You could use group work and peer assessment to generate, assess and develop ideas. Groups could also create a plan to assess business ideas (including scoring or ranking criteria related to a business idea), although it may be a good idea to devise or source a decision matrix to compare, and to possibly improve, the template designed by your learners.

You could introduce your learners to different organisations and the different sectors they operate in and look at a range of ideas for product design and development. You can ask learners to consider modern organisational structures, for example, social media organisations and online businesses. Direct your learners to research organisational form, relevant to a micro-business start-up.

Starting up a business from scratch can be difficult, and your learners need to be aware of the benefits and drawbacks. They need to be able to identify internal and external factors and risks (this could perhaps be turned into a quiz or competition), and to consider contingency plans.

Ideas around this learning aim could be reinforced by bringing in a guest speaker who is a sole trader and an entrepreneur. You could ask your learners to prepare questions for the guest speaker on the factors that need to be considered when starting up a new business.

Before assessing learning aim A, your learners need to decide on a viable and realistic idea for a business start-up, so you will need to remind them that their ideas need to be realistic and viable.

Learning aim B relates directly to the learners' business ideas and business plans. Use clips from *Dragons Den* as a platform for your learners to identify and discuss what the candidates got right and what they got wrong. Learners can research business plans, what is included and how they can be divided into sections relating to market analysis and planning, legal and financial aspects.

As part of their market analysis and planning, learners will need to identify their target market for their business idea, and carry out primary and secondary research. When introducing these ideas, ensure your learners do not confuse secondary sectors with secondary research.

For primary research, you could instruct your learners to carry out focus groups and questionnaires on particular products or services in preparation for working on their own business idea. You may give additional guidance on compiling a useful questionnaire as learners can often use leading questions.

For secondary research, you need to direct your learners towards research carried out by other organisations, published statistics and market research

reports. Learners need to use Porter and PESTLE models to analyse the market environment (individual or group activities involving case studies may be a useful tool here to prepare learners to apply these models to their own ideas).

Some learners struggle to distinguish between political and legal factors and you may need to give clear definitions and feedback relating to these activities. Your learners need to be able to relate analysis of the market environment, research results and defined target market to the development of a suitable marketing mix. You could use examples of existing products, services and business ideas and ask learners to identify the unique selling point – what it is, how appealing it is, and does it give the product, service or idea the 'wow' factor.

Your learners may have researched some legislation as part of their market analysis, and now have the opportunity to consider several areas of law impacting on business start-ups. Defining key terms and providing a glossary can be useful here, as legal jargon can be confusing. Your learners could prepare group presentations on one area of law and share with the other groups. It is important to stress that learners need to consider not only the rights and duties imposed by the law but also the potential impact of compliance and non-compliance. To enable this, you could lead a discussion on risk aversion and incorporate compulsory and available insurance cover.

A business idea will never take off without adequate finance and your learners need to know about sources of finance, including emerging methods (e.g. crowd funding). As with legal terminology, financial jargon can also be confusing so providing a glossary can be useful for learners. Your learners need to demonstrate that they know how to consider the costs of production and calculate a suitable and competitive pricing policy; sales can then be forecast and the combination of costs and sales used to calculate break-even.

Learning aim C will require less time for delivery, as it concentrates on the transferable and practical skills needed to collate and prepare documentation to carry out the pitch. You will have to encourage learners to collate and organise relevant research and practice tasks in their portfolios. It would be a good idea if you could use some class time here for peer assessment to check portfolios and help assess whether learners are ready for their formal assessment.

You could ask learners to identify skills and qualities necessary for a successful pitch. Learners could deliver general presentations and mock pitches for peer assessment, enabling them to analyse and use feedback to make changes. Additionally, you could select clips from *Dragon's Den* (only showing the pitch to your learners), allowing them to assess good and poor pitches themselves. They could then compare their assessment with the feedback given to the candidates on the programme.

The purpose of these activities is to reinforce presentation and negotiation skills, encouraging learners to predict possible questions that could be asked by a panel. You need to encourage your learners to be confident and professional when carrying out their pitch.



Learning aim	Key content areas	Recommended assessment approach
A Explore potential ideas for a micro-business start-up	A1 Exploration of ideas for a micro-business start-up A2 Models for business opportunities A3 Factors to be considered when setting up a micro-business	A portfolio comprising research, analysis and risk evaluation that collectively supports a specific recommendation for setting up a new micro-business.
B Develop a business plan for a viable micro-business start-up	B1 Market analysis and planning B2 Legal aspects B3 Financial aspects B4 Evaluation	A business plan with the detail to enable the pitch to be prepared. Professional presentation with supporting documentation designed to secure potential funding and to stimulate feedback, from which justified modifications to the proposal and pitch can be made.
C Carry out a pitch for funding for the chosen micro-business	C1 Documents and materials for pitch to audience C2 Professional presentation skills demonstrated in the pitch C3 Review and evaluation of the pitch	

Assessment guidance

Your unit specification recommends an assessment comprising two assignments, the latter of which combines learning aims B and C as these sit well together. The work produced for the first assignment – a portfolio of evidence supporting a proposal for a business start-up – will also contribute to the second assignment which is a business plan and a pitch for funding to enable the start-up of a micro-business. The unit specification states that a small business should be one which does not require more than four employees for the start-up. A range of new business start-up ideas needs to be researched and included as examples.

The group size will impact on the assessment method you choose, as large groups may struggle with the amount of time taken for individual presentations. Individual work, however is a far more robust method of assessment to show how each learner meets each criterion. Your learners need to be ready for formal assessment and be able to identify exactly what they need to collect in their portfolio (learning aim A), how to organise their evidence and how to analyse and evaluate internal and external factors associated with a business start-up (learning aim A). The unit specification states that at least four factors and four risks should be included for the distinction criteria.

The second assignment (learning aims B and C) asks for a business plan and a professional pitch to gain funding, and your learners will need to use professional business language and present an accurate business plan using their own template. The specification suggests that groups of four could be used for this assignment if individual plans are submitted and each learner carries out the pitch, although the difficulty here is being sure that each learner has covered all of the criteria. Your learners need to predict possible questions from the panel



and prepare their answers before taking part in the presentation. The presentation itself would ideally be video evidenced and before a panel with representatives of local businesses, staff and other learners. A reflective report is one suggestion for your learners to show how they have used and acted upon feedback given by the panel.



Getting started

This gives you a starting place for one way of delivering the unit, based around the recommended assessment approach in the specification.

Unit 19: Pitching for a New Business

Introduction

You could ask each learner to write a paragraph on what they want to achieve in their working life. As they read out their paragraphs some common themes will become evident such as being rich and famous, which you can use to lead a discussion on other possible aims and ways of achieving their ambitions. You can then discuss the unit content, duration and assessment and identify any previous relevant learning from other units.

To motivate learners, start with a visual PowerPoint presentation of entrepreneurs who have been extremely successful and use 'rags to riches' case studies for learners to identify ideas, skills and methods used by different successful entrepreneurs that learners will recognise. You also need to define key terms such as 'micro-business' and encourage learners to use a glossary of terms to help them develop confidence in the use of professional business terminology. You may wish to research or participate in some of the enterprise competitions available for schools and colleges, for example those related to Young Enterprise or The Prince's Trust.

Learning aim A – Explore potential ideas for a micro-business start-up

Your learners can display their creativity by coming up with their own original ideas, and can also examine business ideas used by others and identify strengths, weaknesses, opportunities and threats (SWOT analysis). You can start by asking Richard Branson's three questions – 'would you do this for fun?', 'does it make a positive difference in people's lives?' and 'will it be profitable enough to sustain?' and asking learners to apply them to business ideas.

- You could instruct your learners to work in groups to develop ideas for a new product or service. Ideas can be linked to areas your learners are interested in or even hobbies. They could make notes and drawings on a flipchart of the product, purpose and benefits of their idea, as well as its potential market. Use peer assessment to devise a template or decision matrix to judge whether ideas are possible and realistic.
- You could instruct learners to research new products, services and business ideas for example '25 products that might just change the world' on www.bloomberg.com or latest technology on www.techradar.com.
- Your learners could watch video clips of *Dragon's Den* to assess the viability of business ideas; you could also use the 45 case studies available on www.startupdonut.co.uk.
- Your learners can then work in groups to prepare a presentation to put forward their ideas for a new business start-up. Again, peer assessment can be used and criteria developed to decide whether the business idea is safe or risky. The template for assessment could include a section where learners justify their decisions.
- You could instruct learners to produce a basic list of the steps needed to turn an idea into a business and discuss their suggestions, using the models for business opportunities in the specification as a way to structure the discussion.
- You could give each learner three different business ideas and ask them to research and produce a set of notes on what would be an appropriate structure and legal form (including advantages and disadvantages) for the businesses.



- You need your learners to be realistic about business start-ups: to achieve this, you could instruct learners to research the number of businesses starting up and survival rates.
- You could arrange for a guest speaker who has recently set up a new business to address your learners and discuss the benefits and risks, as well as the factors to be considered when setting up a new business.
- You could also view 'Entrepreneur Stories' at www.theguardian.com with your learners and lead a discussion on the risks and benefits.
- You could ask your learners to identify factors and risks to be taken into consideration when setting up a new business and turn these into a 'snakes and ladders' game with a series of cards for contingency plans.

Learning aim B – Develop a business plan for a viable micro-business start-up

For learning aim B, learners are required to produce a business plan for a new micro-business start-up. This requires accuracy, a realistic and professional approach, and attention to detail. You also need to encourage your learners to be innovative, creative and enthusiastic about their proposal.

- You could instruct learners to carry out in-depth research into the steps needed to set up a business. This will need to include writing a business plan, and your learners will need to collect a range of templates, consider advantages and disadvantages and then compile their own template. Their business plan will need to identify market analysis and planning, and include legal and financial aspects.
- You could use case studies for defining targets and planning marketing strategies – some good examples are available on the *Times* 100 website (www.businesscasestudies.co.uk).
- Your learners need to use Porter and PESTLE models to analyse the market environment. Assign case studies using these methods of market analysis to individuals or small groups. Tell learners to apply these models to their own ideas.
- You could use group work and allocate different business ideas to different groups, instruct your learners to identify and carry out appropriate primary and secondary research. Learners could present the unique selling point (USP) of their business idea to the other groups. You could use peer assessment to measure suitability of research and the competitiveness of the USP.
- You could instruct the same groups to carry out research on different relevant areas of law (e.g. consumer protection, health and safety legislation – see unit specification for a complete list) and produce factsheets with examples for the whole group. Once your learners have considered this information, you could lead a discussion on the impact of compliance and non-compliance with the law and develop this to consider risk aversion and the benefits and drawbacks of compulsory and available insurance.
- You could instruct your learners to research appropriate sources and availability of funding to support micro-business start-ups and add this to their portfolio.
- To examine the range of and suitability of pricing policies, you could give different brands of the same type of product to small groups and ask learners to justify the price tag and the pricing policy used by the organisation. Instruct your learners to carry out mini presentations to share their findings and invite opinions and discussion.
- You could devise worksheets for learners to calculate sales forecasts, break-even and cash flow from a given set of figures. You could develop this into an evaluation using ratios. Financial statements will need to show start-up costs, predicted



payments for a set period and the forecasted balance at the end of that period, and need to show that the business idea will return a profit and will be worthwhile.

- Your learners could also look at sample business plans and analyse the marketing mix and financial plans.
- You could instruct your learners to work individually and compile a SWOT analysis by producing a diagram such as a mind map or a matrix to evaluate different business ideas.

Learning aim C – Carry out a pitch for funding for the chosen micro-business

- You could use peer assessment for learners to check contents of each other's portfolios, and help them identify any additional documentation and materials that may be required for an effective pitch.
- You could select and watch video clips from *Dragons Den* or the *Apprentice* and winning pitches on 'Pitch to Rich' (#Voom) so that learners can recognise good and less successful pitches.
- You could instruct your learners to choose a specific unsuccessful pitch and individually make recommendations on improving the pitch in order to attract funding.
- You could instruct your learners to research the 'Dos and Don'ts' for a successful pitch. These could be discussed and rehearsed by learners and compared to the ten top tips posted by Peter Jones (www.peterjones.com/business-guide/pitch-your-idea-for-finance/). You could instruct learners to prepare for and present mock pitches or mini presentations using the ten top tips as a peer assessment tool. This will also help learners to improve their communication skills and will help them to anticipate possible questions from the panel prior to their formal assessment.
- You could lead a debate to discuss and justify the feedback given for the mock pitches. Learners can argue the merit of recommendations for change.

Details of links to other BTEC units and qualifications, and to other relevant units/qualifications

Pearson BTEC Level 3 Nationals in Business (NQF):

- Unit 4: Managing an Event.
- Unit 9: Team Building in Business.
- Unit 14: Investigating Customer Service.

Resources

In addition to the resources listed below, publishers are likely to produce Pearson endorsed textbooks that support this unit of the BTEC Nationals in Business. Check the Pearson website (<http://qualifications.pearson.com/endorsed-resources>) for more information as titles achieve endorsement.

Journals

- *Business Review* (Philip Allan Magazines, Hodder Education)
This journal is useful for case studies, up-to-date articles on business activities and discussion points.
- *Marketing Week* (CentaurMedia)
A useful resource reporting on marketing activity of organisations.

Videos

Video sharing websites can be a useful source. They feature a range of clips including programmes such as *Dragons Den*, *The Apprentice* and 'Pitch to Rich 2015 #VOOM'.

Websites

- www.gov.uk/browse/business/setting-up
This website has information on the legalities of setting up in business.
- www.princes-trust.org.uk/need_help/joining_a_programme.aspx
The Princes Trust gives opportunities for 16-25 year olds to develop their own businesses, including grants, training, and skills. Information about the support available can be found on their website.
- www.startupdonut.co.uk/
This website has useful articles and case studies.
- www.thisismoney.co.uk/money/smallbusiness/article-2809685/Top-25-self-entrepreneurs-started-small-sums-money.html
This website gives a list of the top 25 'rags to riches' entrepreneurs.
- www.young-enterprise.org.uk/what-we-do/for-teachers/
Young Enterprise hosts enterprise competitions for schools and colleges to participate in. More information can be found on their website.



- www.businesscasestudies.co.uk
The Times 100 website contains useful case studies on all areas of business, including defining targets and planning marketing strategies.
- www.hoddereducation.co.uk/businessreviewextras
Online version of Business Review magazine – free resources, including podcasts, activities, posters and revision material.