

Unit 15: Developing a Small Business in the Creative Media Industries

Unit code:	K/600/6615
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

The aim of this unit is to introduce learners to the skills and resources needed to start a successful small media business. They will also investigate relevant financial and legal considerations. Learners will explore a potential business idea and produce an appropriate business plan.

● Unit introduction

The media sector has slowly been moving away from large companies with staff working on permanent contracts to small companies providing a variety of production services and often employing their workforce on a temporary or freelance basis for specific projects. This has been seen across the sector as the need for investment in large-scale technology has moved to smaller scale digital applications. There are now many people who have their own companies and an increasing number of sole traders operate in the media industry. Many media companies may operate from very small premises but they have the capacity to produce material to the highest professional standard.

This unit will introduce learners to the factors they will need to take into account when developing and running their own business in the media sector. It is important that learners understand the implications of running their own business. They must take into account the time and costs involved in keeping careful records of their business activities and income generation, not only for cash-flow planning but also for tax, accounting and planning purposes. They also need to understand other factors such as networking in order to find and retain work. People need to be entrepreneurs if they are to succeed in this sector.

Many of the skills required for running a successful business can be taught in a business studies environment. However, these skills need to be linked to particular areas of the creative media sector in order for the business to focus on appropriate small media business practices. Some of the skills needed for success in the media sector can be developed through projects undertaken elsewhere in this qualification.

● Learning outcomes

On completion of this unit a learner should:

- 1 Understand the skills and resources needed for a small business in the creative media sector
- 2 Know about the legal and financial aspects of starting a small business
- 3 Be able to produce a start-up proposal for a small business in the creative media sector.



Unit content

1 Understand the skills and resources needed for a small business in the creative media sector

Skills: creative; sales; marketing; management; financial; technical; operational (recording and checking performance of business, administration, planning, scheduling); strengths and weaknesses; previous experience; self-presentation; corporate presentation

Resources: location and facilities (cost, accessibility, communications, hardware, software, floor space requirements, scope for expansion or contraction, potential for outsourcing of key operations); suppliers; service providers; asset requirements; professional support; training

2 Know about the legal and financial aspects of starting a small business

Legal status: sole trader; partnership; limited company; memorandum and articles of association; limited liability; cooperative

Legal aspects: national laws; regulations and by-laws; health and safety; fire regulations; legal liabilities; insurance; planning permission; contracts; duties and responsibilities; employment law; regulatory bodies; sources of advice, eg solicitors, accountants, small business services; software and other IT licences; intellectual property strategy and protection

Tax: liabilities in respect of tax (personal taxation liability, corporation tax, PAYE (Pay As You Earn)); national insurance; VAT

Sources of finance: finance requirements especially at initial stages; gearing and use of venture capital versus banking finance; relative merits of retained profit or leasing; projected return on investment or capital employed; loans; overdrafts; government grants and loan schemes; start-up schemes; local and regional variations; special project funding; employment subsidies

Financial systems: solvency; indebtedness; profit margins; cash flow; market share and vulnerability; personal survival budget; overhead costs (premises, equipment, supplies, running costs, paying staff, marketing expenses, business development expenses, pensions, trade and other subscriptions); cash flow forecasting; record keeping; invoicing; payment tracking; software accounting systems

Credit control: the importance of credit control; simple credit control techniques

3 Be able to produce a start-up proposal for a small business in the creative media sector

Ideas: linked to own media skills; demand from an audience or client; continuity of work

Sources of work: market trends; demand for new business; market research; published research; interdependent relationships with other companies; competitor trends

Staffing: staff skills profile; recruitment; training; performance monitoring; skill adaptation

Business proposal: reviewing information and ideas; setting targets and goals; purpose of plan; components (type of business, likely client base, market, direct and indirect competitors); resources (personnel, physical, financial, service providers); financial and profit forecasts; opportunities for growth and development; SWOT analysis (strengths, weaknesses, opportunities and threats); distinctive features; contingencies

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 skills and resources required to develop a small business in the creative media sector with some appropriate use of subject terminology	M1 explain the skills and resources required to develop a small business in the creative media sector with reference to detailed illustrative examples and with generally correct use of subject terminology	D1 comprehensively explain the skills and resources required to develop a small business in the creative media sector with elucidated examples and consistently using subject terminology correctly
P2 describe the legal and financial aspects of starting a small business with some appropriate use of subject terminology [RL]	M2 explain the legal and financial aspects of starting a small business with reference to detailed illustrative examples and with generally correct use of subject terminology	D2 comprehensively explain the legal and financial aspects of starting a small business with elucidated examples and consistently using subject terminology correctly
P3 prepare an appropriate start-up proposal for a small business in the creative media sector with some assistance. [SM]	M3 prepare a competent start-up proposal for a small business in the creative media sector with only occasional assistance.	D3 prepare a start-up proposal for a small business in the creative media sector that reflects near-professional standards, working independently to professional expectations.

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 enables learners to investigate and identify the skills needed to run a successful small business. The term 'small business' refers to people operating on their own as sole traders or in partnerships of fewer than 10 partners, and limited companies employing 10 or fewer members of staff.

The unit could be taught through a variety of activities. There will be a place for lectures, discussions and demonstrations, as well as practical sessions involving simulations. Learners would benefit from guest speakers such as those actually operating a small business, start-up business advisers, lawyers, accountants, book-keepers, bank representatives, Inland Revenue staff, and people from training and advice services and local enterprise agencies. Visits to small businesses that work in the media industries would obviously help learners to develop an awareness of what is needed to run a small business in this sector. Centres may be able to find a local media company willing to organise a visit or talk about their experiences of running a small company.

Learners should be encouraged to look at the wide range of small businesses that exist in the media industry. They should consider their own media skills and decide which area of the media industry they are considering. It is not acceptable to simply have a wish list of the role they might take as an independent company in the broadcast television industry or as a designer of web-based material without an understanding of what this might involve in practice on a day-to-day basis. They also need to consider how starting up in a given business might lead to other fields of work and how they may be able to influence this process through networking and profile development.

Teaching of the unit must ensure that learners understand the full implications of setting up a small business. It will be important for them to understand their survival needs and how much money and other resources will be required to start-up a business.

Learners must develop a small business start-up proposal in order to complete the unit. Learners must produce their own individual plans for starting a company. Photocopied group work is not acceptable. The individual business plan may be presented as a written report or supported by an audio-visual presentation using appropriate technology. Learners should be creative in their approach to the development of their business plan and should use whatever media resources are available to them.

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 of planning the teaching and assessment of this unit.

Topics and suggested assignments and activities
Introduction to unit and unit assessment.
Group exercise – what is a small media business?
Introduction to techniques for starting a small business – planning.
Assignment 1 – Small Business Models The brief is to prepare a presentation on small businesses in the creative media sector for a college careers event. Working in pairs, learners will research three small businesses from three different sectors of the media industries, identifying their products, how they are structured, and how they operate. They will then do a detailed case study of one of these companies, identifying: <ul style="list-style-type: none">• the management structure of the company• how they receive income from their products• how the business illustrates the skills required to run a small media business• how the business obtains, maintains and deploys its resources. Learners will then prepare and give individual presentations on their research.
Assignment 2 – Legal and Financial Aspects of Running a Small Media Business The brief is to prepare an illustrated article for a careers pamphlet on the legal and financial aspects of starting a small media business. Learners will first research: <ul style="list-style-type: none">• the legal status of small businesses• the legal aspects of small business, eg laws, regulations, health and safety• the tax liabilities of small businesses• sources of finance for small businesses• financial systems suitable for small businesses• how to control credit. They will then: <ul style="list-style-type: none">• research and prepare suitable illustrative material• write article• lay out article with illustrations.

Topics and suggested assignments and activities

Assignment 3 – Small Media Business Start-up Proposal

Stage 1: The idea.

Learners will:

- consider their own media production skills
- identify appropriate business ideas linked to their skills
- prepare a draft idea and discuss this with their tutor.

Stage 2: Considerations.

After the idea for a business has been agreed by the tutor learners will:

- consider sources of work
- identify the staffing required
- prepare a SWOT analysis
- complete a proposal.

Stage 3: The pitch.

Learners will:

- prepare their pitch
- pitch their proposal to a panel of business experts and receive feedback
- redraft their proposal where necessary
- submit finished proposal.

Unit learning and assessment review.

Assessment

Evidence for assessment

The evidence for achievement of learning outcomes 1 and 2 could take the form of a report that learners could use for reference when completing later tasks or as a teaching aid. Learners could also prepare audio-visual presentations that could be delivered to their peers. Presentations must be recorded for the purposes of internal and external verification.

Learners could also review a range of issues relating to professional practice and make a record of their meetings or workshops, recording what they see and what they learn. These issues could be recorded in the form of a business handbook that learners could use to inform their proposal.

In order to achieve learning outcome 3 learners must develop a business plan that they can present in an appropriate form. Learners could pitch their business plan to a financial consultant, small business owner or a panel of small business experts in order to get feedback on the viability of their plan. However, that role could be taken by the tutor or someone from the business studies department. The plan should be presented in an appropriate business or media format.

For some elements of this unit, and for some learners, a formal viva voce assessment might be appropriate. When more than one learner in a cohort is assessed in this way care must be taken to ensure that all learners are asked equivalent questions, and that all are given equal opportunities to expand or clarify their answers. Interviewers must also ensure that questions are not phrased in such a way as to provide or suggest an answer. Formal vivas should be recorded for the purposes of internal and external verification and at least 50 per cent of such assessments must be internally verified.

Application of grading criteria

When applying the grading criteria, tutors should follow the advice given below. Please note that any examples of evidence given here are indicative only. This advice is not exhaustive and the examples need not specifically be included in a learner's work in order for that learner to achieve the exemplified grade.

Pass

To achieve a pass grade, learners must achieve all the criteria at pass level. For each of the criteria learners must present evidence that addresses each italicised sub-heading of the content for the learning outcome.

P1: learners will describe the skills and resources needed for starting a small business, addressing the two sub-headings listed under the content for learning outcome 1. They will identify the key elements of these skills and resources accurately but without detail.

P2: learners will describe the factors affecting the start-up of a small business, addressing the six sub-headings listed under the content for learning outcome 2. They will identify the key elements of these factors accurately but without detail.

P1 and P2: evidence will show a basic understanding of technical terminology but learners will generally be unsure about this vocabulary and will make fairly frequent mistakes when they do use it.

P3: learners will produce a realistic and appropriate proposal for a small business in the creative media sector. The proposal will take into account all the sub-headings listed under the content for learning outcome 3 but it will be lacking in detail. Learners will typically need frequent assistance and support, though they will take note of and make use of this help when it is given. If they are in frequent need of such help but fail to make positive use of it they should not be considered for a pass grade for this unit.

Merit

To achieve a merit grade, learners must achieve all the pass and all the merit grade criteria. For each of the criteria learners must present evidence that addresses each italicised sub-heading of the content for the learning outcome.

M1: learners will explain the skills and resources needed for starting a small business, addressing the two sub-headings listed under the content for learning outcome 1 in such a way as to show the importance of these factors generally or to their own plans. Relevant examples will be given to support what is said, but learners will not elucidate these examples to show how they illustrate the points they support.

M2: learners will explain the factors affecting the start-up of a small business, addressing the six sub-headings listed under the content for learning outcome 2 in such a way as to show the importance of these factors to the successful running of a small business, or the effect they might have on their own plans. Relevant examples will be given to support what is said, but learners will not elucidate these examples to show how they illustrate the points they support.

M1 and M2: learners will use technical vocabulary for the most part correctly, but may make mistakes or be unsure about usages at times.

M3: learners will produce a clear, competent and detailed proposal for a small business in the media industry based on a realistic idea. The proposal will clearly address all the sub-headings listed under the content for learning outcome 3 and will demonstrate some insight into the issues of starting a small business in the media industry. Work will be approached methodically, with adequate preparation and all ideas will be properly worked out. The proposal will be presented neatly. Learners will need little assistance, though typically they will still need some support when dealing with more complex issues. Like the pass grade learner, they will benefit from it.

Distinction

To achieve a distinction grade, learners must achieve all the pass, all the merit and all the distinction grade criteria. For each of the criteria learners must present evidence that addresses each italicised sub-heading of the content for the learning outcome.

D1: learners will provide a full and extensive explanation of the skills and resources needed for starting a small business addressing the two sub-headings listed under the content for learning outcome 1 in such a way as to show the importance of these factors both generally and to their own plans. They will justify points made using supporting evidence. They will select and apply examples to support their explanations more effectively than the merit grade learner and will draw out of the examples precisely what it is that exemplifies the points they illustrate.

D2: learners will provide a full and extensive explanation the factors affecting the start-up of a small business, addressing the six sub-headings listed under the content for learning outcome 2 in such a way as to show the importance of these factors both generally and to their own plans., They will justify points made using supporting evidence. They will select and apply examples to support their explanations more effectively than the merit grade learner and will draw out of the examples precisely what it is that exemplifies the points they illustrate.

D1 and D2: technical vocabulary will be secure and used correctly and confidently at all times.

D3: learners will produce a proposal for a small business in the media industry based on a thoroughly realistic, interesting and possibly unusual idea. Content and presentation will be close to professional standards. This means that the proposal would stand up to scrutiny by a business consultant but it would not necessarily get approval. The proposal will demonstrate a sophisticated insight into the issues of starting a small business in the media industry. Learners will be capable of working autonomously and effectively. The term 'working independently' means that they are able to work on their own initiative, do not need constant support or supervision, give the work their full commitment, work positively and cooperatively with others, and meet deadlines. In other words, they have the kind of self-management skills that would be expected of them in a professional context. Note also that this criterion should not be taken to mean that learners do not seek advice or that they work without discussing things with their tutor, but rather that they are not dependent upon the support of others and that when they take advice they weigh it carefully for themselves.

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, M1, D1	Assignment 1 – Small Business Models	Brief is to prepare a presentation on small businesses in the creative media sector for a college careers event.	<ul style="list-style-type: none"> All research and case study notes. Presentation notes and slides. Recording of presentation.
P2, M2, D2	Assignment 2 – Legal and Financial Aspects of Running a Small Media Business.	The brief is to prepare an illustrated article for a careers pamphlet on the legal and financial aspects of starting a small media business.	<ul style="list-style-type: none"> All research notes. Finished article.
P3, M3, D3	Assignment 3 – Small Media Business Start-up Proposal	Learners develop and pitch a proposal for a small media business.	<ul style="list-style-type: none"> A fully developed proposal. Pitch notes and slides. Recording of pitch. Tutor observations and witness statements.

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

This unit forms part of the BTEC Creative Media Production suite. This unit has particular links with the following units in the BTEC Creative Media Production suite:

Level 2	Level 3
The Creative Media Sector	Working Freelance in the Creative Media Sector

Essential resources

For this unit learners should have access to appropriate research resources. They will need access to relevant information on a range of small businesses operating in the media sector.

Learners will benefit from case study materials which focus on specific aspects of developing small business ideas. Most clearing banks offer small business packs which could serve as useful teaching and learning resources. Banks are also useful sources for providing templates of business plans. However, these should be used with care as they focus mainly on overhead forecasts, profitability and cash flow forecasts. Additionally, business links and chambers of commerce can provide information to complement learning activities.

Other resources may be obtained from small business advisory services, such as:

- The Federation of Small Businesses
- The Small Business Bureau
- Shell LiveWIRE (helps people 16-30)
- The Prince's Trust (helps people 18-30).

Employer engagement and vocational contexts

Centres should develop links with local business enterprise bodies and business links. Company directors are usually willing to come in and talk about working in a small business environment.

Skillset, the Sector Skills Council for the creative media sector, has a substantial section of its website dedicated to careers, including job descriptions – www.skillset.org/careers/.

Further general information on work-related learning can be found at the following websites:

- www.aimhighersw.ac.uk/wbl.htm – work-based learning guidance
- www.businesslink.gov.uk – local, regional business links
- www.nebpn.org – National Education and Business Partnership Network
- www.vocationallearning.org.uk – Learning and Skills Network
- www.warwick.ac.uk/wie/cei/ – Centre for Education and Industry, University of Warwick – work experience and workplace learning frameworks.

Indicative reading for learners

Textbooks

Baylis P, Freedman A, Procter N et al – *BTEC Level 3 National Creative Media Production, Student Book* (Pearson, 2010) ISBN 978-1846906725

Baylis P, Freedman A, Procter N et al – *BTEC Level 3 National Creative Media Production, Teaching Resource Pack* (Pearson, 2010) ISBN 978-1846907371

Deakins D – *Entrepreneurship and Small Firms* (McGraw-Hill, 1996) ISBN 978-0077121624

Golzen G – *Working for Yourself, 18th Edition* (Kogan Page, 1998)

Oates D – *The Small Business Bible* (Arrow, 1995) ISBN 978-0099439219

Stokes D R – *Small Business Management* (Thompson Learning, 2002) ISBN 978-0826456793

Vass J – *The 'Which?' Guide to Starting Your Own Business* (Which Books, 1999) ISBN 978-0852029305

Wisdom J – *Checklists and Operating Forms for Small Businesses* (John Wiley & Sons, 1997) ISBN 978-0471115625

Journals

Management Today

Websites

www.abi.org.uk – the Association of British Insurers

www.bbc.co.uk – BBC website which provides access to related resources via its webwise sub-directory

www.britishchambers.org.uk – business support, offering a ready-made management support team for any business, anywhere in the UK

www.businesslink.gov.uk – a website managed by the Department of Trade and Industry, offering practical advice for small businesses, including advice on starting up

www.bvca.co.uk – represents the vast majority of venture capital and private equity in the UK and is dedicated to promoting the industry for the benefit of entrepreneurs, investors, its practitioners and the economy as a whole

www.cim.co.uk – the Chartered Institute of Marketing

www.companies-house.gov.uk – Companies House

www.dti.gov.uk – the Department of Trade and Industry

www.enterprisezone.org.uk – the Enterprise Zone

www.e-technologies.co.uk – provides a number of interactive business support tools

www.ft.com – provides topical editorial from *The Financial Times*

www.gamasutra.com – a comprehensive website on the games development industry run by *Game Developer* magazine and Gamasutra, covering industry news, jobs, and education

www.hse.gov.uk – the Health and Safety Executive

www.inlandrevenue.gov.uk/home.htm – the Inland Revenue

www.lloydstsbusiness.co.uk – Lloyds TSB Small Business Guide

www.sfedi.org.uk – the Small Firms Enterprise Development Initiative

www.skillset.org – Skillset, the Sector Skills Council for the creative media sector

www.skillsformedia.com – another website run by Skillset, which gives impartial media careers advice for aspiring new entrants and established industry professionals

www.smallbusiness.co.uk —news, advice, finance, information, small company investment

www.taxguide.co.uk – tax guide

www.tiger.gov.uk – Tailored Interactive Guidance on Employment Rights

www.tradepartners.gov.uk – UK Trade and Investment, the Government organisation that supports both companies in the UK trading internationally and overseas enterprises seeking to relocate to the UK

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 ...
Reflective learners	<ul style="list-style-type: none"> reviewing and reflecting on research into small businesses and acting on the outcomes to modify and improve their work setting goals with success criteria for their small business work inviting feedback on their own work and dealing positively with praise, setbacks and criticism evaluating their experiences and learning to inform future progress
Self-managers	<ul style="list-style-type: none"> organising time and resources and prioritising actions when producing their own business proposal, whether working on their own or in a group seeking out challenges or new responsibilities and showing flexibility when priorities change deal with competing pressures, including personal and work-related demands responding positively to change, seeking advice and support when needed.

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	<ul style="list-style-type: none"> planning and carrying out research into small businesses to develop their understanding of business techniques carrying out research to develop ideas for their own business proposals
Creative thinkers	<ul style="list-style-type: none"> generating ideas and exploring possibilities for small business start-up trying out alternative ways of constructing their small business plans, following ideas through to complete a proposal adapting their ideas as circumstances change
Team workers	<ul style="list-style-type: none"> collaborating with others to produce presentations and reports, if working in a group if working in a group to produce a presentation, taking responsibility for their own role managing discussions to reach agreements and achieve results.