

# PETER JONES'

## ENTERPRISE AND ENTREPRENEURSHIP



Developing enterprise and entrepreneurship skills with Peter Jones CBE, in association with the Peter Jones Enterprise Academy

## Level 2 Specification

First teaching from September 2010

- Pearson BTEC Level 2 Certificate in Understanding Enterprise and Entrepreneurship
- Pearson BTEC Level 2 Diploma in Understanding Enterprise and Entrepreneurship

Issue 3

## **Edexcel, BTEC and LCCI qualifications**

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This specification is Issue 3. Key changes are sidelined. We will inform centres of any changes to this issue. The latest issue can be found on our website at [qualifications.pearson.com](http://qualifications.pearson.com)

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# Qualification titles covered by this specification

## Pearson BTEC Level 2 Certificate in Understanding Enterprise and Entrepreneurship

## Pearson BTEC Level 2 Diploma in Understanding Enterprise and Entrepreneurship

These qualifications have been accredited to the National Framework and are eligible for public funding as determined by the Department for Education (DfE) under Sections 96 and 97 of the Learning and Skills Act 2000.

The qualification titles listed above feature in the funding lists published annually by the DfE and the regularly updated website [www.dfe.gov.uk](http://www.dfe.gov.uk). The Qualifications Number (QN) should be used by centres when they wish to seek public funding for their learners. Each unit within a qualification will also have a unit code.

The qualification and unit codes will appear on learners' final certification documentation.

The QNs for the qualifications in this publication are:

Pearson BTEC Level 2 Certificate in Understanding Enterprise and Entrepreneurship	500/6247/5
Pearson BTEC Level 2 Diploma in Understanding Enterprise and Entrepreneurship	500/6244/X

These qualification titles will appear on learners' certificates. Learners need to be made aware of this when they are recruited by the centre and registered with Edexcel.

# Introduction

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This document contains the units and associated guidance for the Pearson BTEC Level 2 Certificate/ Diploma in Understanding Enterprise and Entrepreneurship. Each unit sets out the required outcomes and content and includes advice regarding appropriate delivery and assessment strategies. This guidance contains further details of the assessment and quality assurance of these qualifications. It includes advice about Pearson's policy regarding access to its qualifications, the design of programmes of study and delivery modes.

BTEC Short Courses are designed to meet a range of different needs. BTEC Short Courses at Levels 1-3 offer:

- maximum flexibility with programmes available across all levels of the NQF
- the opportunity to certificate smaller blocks of learning which are designed to motivate learners and encourage widening participation in education and training
- courses that relate to the particular training and employment patterns in a sector
- courses that may offer preparation for specific jobs and subsequent achievement of NVQs or Apprenticeship Diplomas when in employment
- the opportunity to use a range of delivery methods
- opportunities for learners to develop skills that support career and professional development
- underpinning knowledge, skills and understanding linked, where appropriate, to named NVQs
- programmes that can enable progression either to higher levels of study or to other courses at the same level of study.

# Total qualification time (TQT)

For all regulated qualifications, Pearson specifies a total number of hours that it is expected learners will be required to undertake in order to complete and show achievement for the qualification; this is the Total Qualification Time (TQT). The TQT value indicates the size of a qualification.

Within this, Pearson will also identify the number of Guided Learning Hours (GLH) that we expect a centre delivering the qualification will need to provide. Guided Learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating learners, such as lessons, online instruction and supervised study.

In addition to guided learning, other required learning directed by tutors or assessors will include private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision and independent research.

Qualifications can also have a credit value, which is equal to one tenth of TQT, rounded to the nearest whole number. Centres must ensure that they abide by the rules of combination for these qualifications and that students achieve the minimum mandatory credit value for their qualification.

Pearson consults with users of these qualifications in assigning TQT and credit values.

## Pearson BTEC Level 2 Certificate

- 1 Qualification credit value: a minimum of 35 credits.
- 2 Mandatory unit credit: 35 credits.
- 3 TQT 350 hours.
- 4 GLH 210 hours.

## Pearson BTEC Level 2 Diploma

- 1 Qualification credit value: a minimum of 60 credits.
- 2 Mandatory unit credit: 60 credits.
- 3 TQT 600 hours.
4. GLH 360 hours.

# Structure of the qualification

The Pearson BTEC Level 2 Certificate in Understanding Enterprise and Entrepreneurship consists of seven mandatory units that provide for a combined total of 35 credits and 210 guided-learning-hours (GLH) for the completed qualification.

Pearson BTEC Level 2 Certificate in Understanding Enterprise and Entrepreneurship			
Unit	Mandatory units	Credit	Level
1	The Entrepreneurial Mindset	5	2
2	Creating a Vision for your Business Plan	5	2
3	The Business Environment	5	2
4	Researching your Market	5	2
5	The Marketing Plan	5	2
6	Financial Modelling and Forecasting	5	2
7	Preparing and Pitching a Business Plan	5	2

The Pearson BTEC Level 2 Diploma in Understanding Enterprise and Entrepreneurship consists of 11 mandatory units that provide for a combined total of 60 credits and 360 guided-learning-hours (GLH) for the completed qualification.

Pearson BTEC Level 2 Diploma in Understanding Enterprise and Entrepreneurship			
Unit	Mandatory units	Credit	Level
1	The Entrepreneurial Mindset	5	2
2	Creating a Vision for your Business Plan	5	2
3	The Business Environment	5	2
4	Researching your Market	5	2
5	The Marketing Plan	5	2
6	Financial Modelling and Forecasting	5	2
7	Preparing and Pitching a Business Plan	5	2
8	Leadership and Teamwork	5	2
9	Toolkits for Idea Generation	5	2
10	Managing Personal Finances	5	2
11	Enterprise in the Workplace	10	2

# Key features

## Key features of the BTEC Level 2 Certificate/Diploma in Understanding Enterprise and Entrepreneurship

The BTEC Level 2 Certificate/Diploma in Understanding Enterprise and Entrepreneurship have been developed to give learners the opportunity to:

- gain a nationally recognised qualification that enables them to plan for their own business or social enterprise
- progress into vocational qualifications such as the Pearson BTEC Level 3 Nationals in Enterprise and Entrepreneurship
- develop a range of skills and techniques, personal skills and attitudes essential for successful performance in working life.

## Rationale of the BTECs in Understanding Enterprise and Entrepreneurship

The BTEC Level 2 Certificate/Diploma in Understanding Enterprise and Entrepreneurship address the need for enterprise learning in tertiary education identified by the Department for Business, Enterprise and Regulatory Reform (BERR) in 'Enterprise: Unlocking the UK's Talent' (March 2008).

The qualifications have been developed in partnership with the National Enterprise Academy (NEA), in consultation with entrepreneurs and business people, experienced teachers and learners. The design principles have been to develop a qualification that:

- enables learners to produce realistic and relevant assessment evidence leading to a business plan
- requires learners to focus on their own self development through the planning process
- ensures that learners interact with entrepreneurs and business people throughout the course of their study to enable them to learn from experienced professionals.

The specifications are designed for learners aged 14-19 who wish to plan for a business or social enterprise and develop their entrepreneurial skills.

Learners will not start up and run a business during the course of this qualification.

The qualifications have been developed in consultation with the Small Firms Enterprise Development Initiative (SFEDI) and map to the National Occupational Standards in Understanding Enterprise.

### BTEC Certificate in Understanding Enterprise and Entrepreneurship

This qualification is designed to contain the essential features of the National Occupational Standards in Understanding Enterprise. Units 2 to 6 will contribute evidence for a business plan which will be assessed in Unit 7. Unit 1 enables learners to develop an entrepreneurial mindset focusing on their own personal development.

## BTEC Diploma in Understanding Enterprise and Entrepreneurship

This qualification is also designed to contain the essential features of the National Occupational Standards in Understanding Enterprise and includes the units that feature in the Certificate.

Further units enable the development of complementary skills and attributes in areas that will augment learners' understanding of enterprise.

### National Occupational Standards (NOS)

Relevant aspects of the National Occupational Standards (NOS) are addressed in the learning outcomes and content of the units, and these links are identified where appropriate.

The Pearson BTEC Level 2s in Understanding Enterprise and Entrepreneurship relate to the Understanding Enterprise NOS, developed by the Small Firms Enterprise Development Initiative (SFEDI).

## Assessment and grading

The assessment for the Pearson BTEC Level 2 Certificate/Diploma in Understanding Enterprise and Entrepreneurship is criterion referenced, based on the achievement of specified criteria. Each unit contains contextualised pass, merit and distinction criteria for unit assessment and grading.

In the Pearson BTEC Level 2 Certificate/Diploma in Understanding Enterprise and Entrepreneurship all units are internally assessed. Centre assessment will be externally verified through the National Standards Sampling process.

The overall grading for the BTEC Level 2 Certificate/Diploma in Understanding Enterprise and Entrepreneurship is a pass, based upon the successful completion of all units. **Learners must pass the required seven units to achieve the BTEC Level 2 Certificate in Understanding Enterprise and Entrepreneurship and all 11 units to achieve the BTEC Level 2 Diploma in Understanding Enterprise and Entrepreneurship.**

The purpose of assessment is to ensure that effective learning of the content of each unit has taken place.

Centres are encouraged to use a variety of assessment methods, including assignments, case studies and work-based assessments, along with projects, performance observation and time-constrained assessments. Practical application of the assessment criteria in a realistic scenario should be emphasised and maximum use made of practical work experience.

Assignments constructed for assessment by centres should be valid, reliable and fit for purpose, building on the application of the assessment criteria. Care must be taken to ensure that assignments used for assessment of a unit cover all the criteria for that unit as set out in the *Grading grid* section of that unit. It is advised that the criteria which an assignment is designed to cover should be clearly indicated in the assignment to (a) provide a focus for learners (for transparency and to help ensure that feedback is specific to the criteria) and (b) assist with internal standardisation processes. Tasks and activities should enable learners to produce evidence that directly relates to the specified criteria.

The creation of assignments that are fit for purpose is vital to achievement by learners and their importance cannot be over-emphasised.

When applying the grading grid and designing assessment instruments, centres should note that learners must not be required to undertake additional tasks to achieve a merit or distinction grade but must provide evidence that differs in quality.

# Calculation of the qualification grade

## Awarding a qualification grade

### Pass qualification grade

Learners will be awarded a pass qualification grade provided they pass each individual unit to achieve the credit value stated in the rules of combination appropriate to their qualification programme of study (see *Rules of combination*).

### Qualification grades above pass grade

The qualification grade above the pass grade will be calculated through the aggregation of points achieved through the successful achievement of individual units.

Learners will be awarded a merit, distinction or distinction\* qualification grade by the aggregation of points achieved through the successful achievement of individual units. The number of points available will be dependent on the unit level, grade achieved and the size of the unit as determined by the credit value (as shown below).

The grade boundary ranges for the awarding of each qualification grade are also shown below.

### Points available for credits achieved at different levels and unit grades

The table below shows the **number of points scored for each credit** at the unit level and grade:

Unit level	Pass grade points	Merit grade points	Distinction grade points
1	3	4	5
<b>2</b>	<b>5</b>	<b>6</b>	<b>7</b>
3	7	8	9

### Qualification grade boundaries

Qualification	Merit grade	Distinction grade	Distinction*
BTEC Certificate	195-214	215-229	230 and above
BTEC Diploma	340-379	380-399	400 and above

# Quality assurance

Pearson's qualification specifications set out the standard to be achieved by each learner in order to be awarded the qualification. This is covered in the statement of learning outcomes, and assessment and grading criteria in each unit. Further guidance on delivery and assessment is given in the *Essential guidance for tutors* section in each unit. This section is designed to provide additional guidance and amplification related to the unit to support tutors, deliverers and assessors and to provide for a coherence of understanding and a consistency of delivery and assessment.

## Approval

Centres that have not previously offered BTEC qualifications will first need to apply for, and be granted, centre approval before they can apply for approval to offer the programme.

When a centre applies for approval to offer a BTEC qualification they are required to enter into an approvals agreement.

The approvals agreement is a formal commitment by the head or principal of a centre to meet all the requirements of the specification and any linked codes or regulations. Sanctions and tariffs may be applied if centres do not comply with the agreement. Ultimately, this could result in the suspension of certification or withdrawal of approval.

Centres will be allowed 'accelerated approval' for a new programme where the centre already has approval for a programme that is being replaced by the new programme.

The key principles of quality assurance are that:

- a centre delivering BTEC programmes must be an approved centre and must have approval for programmes or groups of programmes that it is operating
- the centre agrees as part of gaining approval to abide by specific terms and conditions around the effective delivery and quality assurance of assessment; it must abide by these conditions throughout the period of delivery
- Pearson makes available to approved centres a range of materials and opportunities intended to exemplify the processes required for effective assessment and examples of effective standards. Approved centres must use the materials and services to ensure that all staff delivering BTEC qualifications keep up to date with the guidance on assessment
- an approved centre must follow agreed protocols for standardisation of assessors and verifiers; planning, monitoring and recording of assessment processes; and for dealing with special circumstances, appeals and malpractice.

The approach of quality assured assessment is made through a partnership between an approved centre and Pearson. Pearson is committed to ensuring that it follows best practice and employs appropriate technology to support quality assurance processes where practicable. Therefore, the specific arrangements for working with centres will vary. Pearson seeks to ensure that the quality assurance processes that it uses do not place undue bureaucratic processes on centres and works to support centres in providing robust quality assurance processes.

Pearson monitors and supports centres in the effective operation of assessment and quality assurance. The methods which it uses to do this for these accredited BTEC programmes include:

- ensuring that all centres have completed appropriate declarations at the time of approval undertaking approval visits to centres where necessary
- requiring all centres to appoint a Lead Internal Verifier for designated groups of programmes and to ensure that this person is trained and supported in carrying out that role
- requiring that the Lead Internal Verifier completes compulsory online standardisation related to assessment and verification decisions for the designated programme
- assessment sampling and verification, through requested samples of assessments, completed assessed learner work and associated documentation
- overarching review and assessment of a centre's strategy for assessing and quality assuring its BTEC programmes.

### **Pearson Quality Assurance Handbook**

Centres should refer to the *Handbook for Quality Assurance for BTEC Qualifications*, issued annually, for detailed guidance.

An approved centre must make certification claims only when authorised by Edexcel and strictly in accordance with requirements for reporting.

Centres that do not fully address and maintain rigorous approaches to quality assurance will be prevented from seeking certification for individual programmes or for all BTEC programmes. Centres that do not comply with remedial action plans may have their approval to deliver qualifications removed.

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## **Programme design and delivery**

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These BTEC qualifications consist of mandatory core units.

The credit value includes an estimate of time that might be allocated to direct teaching, instruction and assessment, together with other structured learning time such as directed assignments or supported individual study. It also includes learner-initiated private study. Centres are advised to consider this definition when planning the programme of study associated with this specification.

### **Mode of delivery**

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Pearson does not define the mode of study for BTECs. Centres are free to offer the qualifications using any mode of delivery that meets their learners' needs. This may be through traditional classroom teaching, open learning, distance learning or a combination of the three. Whichever mode of delivery is used, centres must ensure that learners have appropriate access to the resources identified in the specification and to the subject specialists delivering the units. This is particularly important for learners studying for the qualification through open or distance learning.

Learners studying for the qualification on a part-time basis bring with them a wealth of experience that should be utilised to maximum effect by tutors and assessors. Assessment evidence drawn from learners' work environments should be encouraged. Those planning the programme should aim to enhance the vocational nature of the qualification by:

- liaising with employers to ensure a course relevant to learners' specific needs
- accessing and using non-confidential data and documents from learners' workplaces
- including sponsoring employers in the delivery of the programme and, where appropriate, in the assessment
- linking with company-based/workplace training programmes
- making full use of the variety of experience of work and life that learners bring to the programme.

## Resources

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BTECs are designed to prepare learners for employment in specific occupational sectors. Physical resources need to support the delivery of the programme and the proper assessment of the learning outcomes, and should therefore normally be of industry standard. Staff delivering programmes and conducting the assessments should be fully familiar with current practice and standards in the sector concerned. Centres will need to meet any specialist resource requirements when they seek approval from Pearson.

Where specific resources are required these have been indicated in individual units under the *Essential resources* section.

A section on 'employer engagement and vocational contexts' has been included in every unit to provide where relevant a short list of agencies, networks and other useful contacts for employer engagement and for sources of vocational contexts.

## Delivery approach

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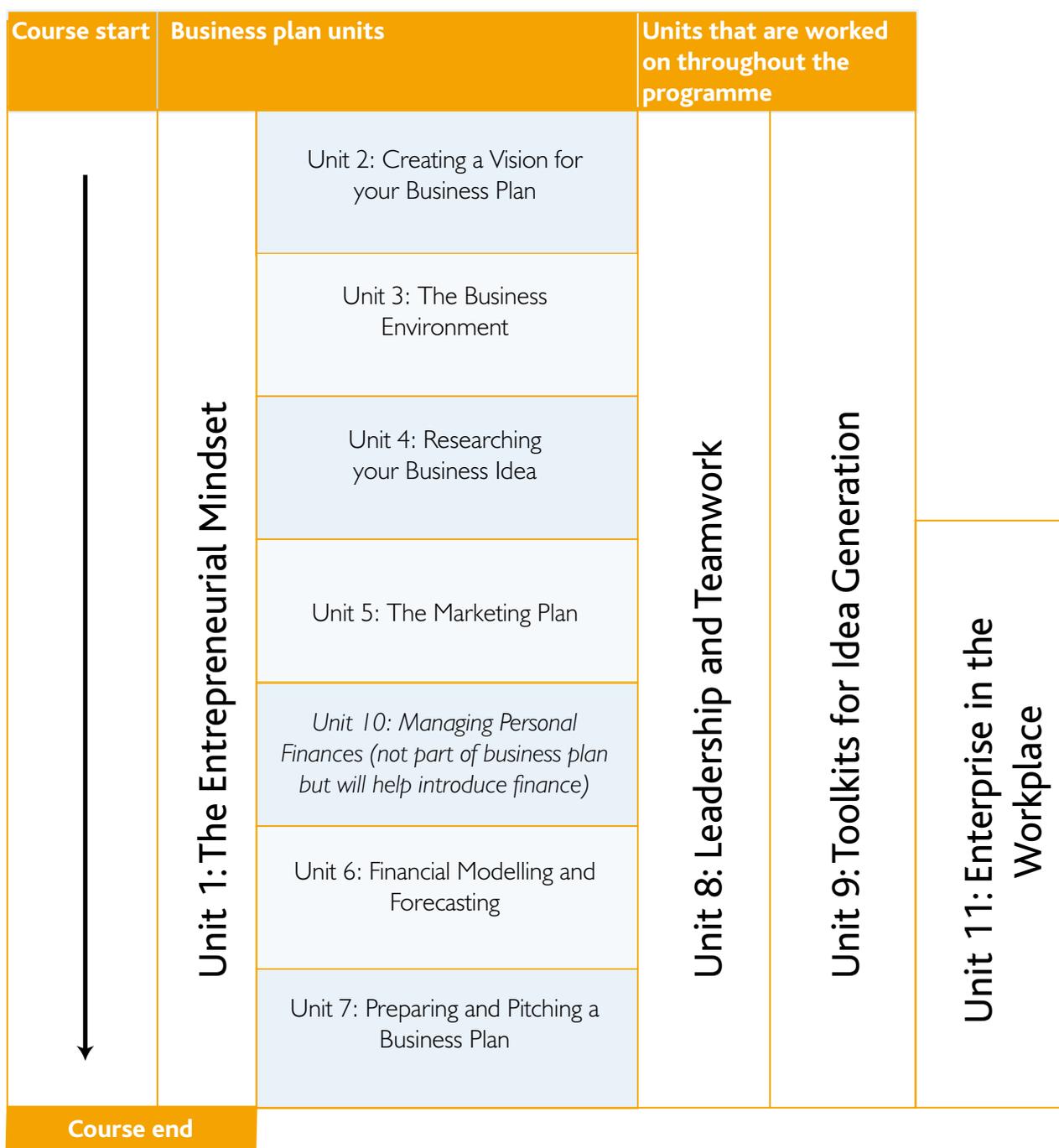
It is important that centres develop an approach to teaching and learning that supports the specialist vocational nature of BTEC qualifications. Specifications give a balance of practical skill development and knowledge requirements, some of which can be theoretical in nature. Tutors and assessors need to ensure that appropriate links are made between theory and practical application and that the knowledge base is applied to the sector. This requires the development of relevant and up-to-date teaching materials that allow learners to apply their learning to actual events and activity within the sector. Maximum use should be made of the learners' experience.

An outline learning plan is included in every unit and demonstrates how the credit value for the unit can be assigned. It is indicative and is only one way of achieving the credit value and therefore has been included in this unit as guidance.

The outline learning plan gives an indication of the volume of learning related to the achievement of the learning outcomes. Learning time should address all learning (including assessment) relevant to the learning outcomes, regardless of where, when and how the learning has taken place. Learning time includes time learners spend on the unit away from directed study, for example, at home. Therefore more time is proposed for learning time than for guided learning hours.

## Delivery strategy

The model below is a suggestion of how the units could be combined into the Diploma programme. Units 2, 3, 4, 5 and 6 should be combined to support learners in preparing and developing their business plan. It is envisaged that Unit 1 is offered alongside all of these units as it will support learners in developing and changing their mindset. Units 8 and 9 should also be worked on throughout the programme but these units have a more general basis and assessment is not explicitly related to the business plan. Unit 10 will help learners to prepare for the financial aspects of the business plan while Unit 11 is likely to be offered intensively towards the latter part of the course as learners start to develop their entrepreneurial skills.



## Additional and specialist learning

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Additional and specialist learning (ASL) consists of accredited qualifications at the same level as, or one level above, the 14-19 Diploma course of study. The Diploma should not be confused with the BTEC Diplomas or the BTEC suite of qualifications. It may include BTEC qualifications which are also available to learners not taking the 14-19 Diploma. The Pearson BTEC Level 2 Certificate in Understanding Enterprise and Entrepreneurship will be available as ASL.

Additional learning is intended to:

- broaden the learning experience by including BTEC qualifications

and specialist learning is intended to:

- allow learners to specialise further in the sector by undertaking BTEC qualifications from the same sector as the Diploma.

Qualifications for additional and specialist learning must be selected from the ASL catalogue through the National Database of Accredited Qualifications (NDAQ). The catalogue includes qualifications which have the approval of the Diploma Development Partnership (DDP) and will expand over time as more qualifications are approved. To access the catalogue go to [www.ndaq.org.uk](http://www.ndaq.org.uk) and select 'Browse Diploma Qualifications'.

## Functional Skills

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These BTECs provide opportunities for learners to develop and apply Functional Skills within sector-related contexts. Functional Skills are offered as stand-alone qualifications at Level 2. See individual units for opportunities to cover ICT, Mathematics and English Functional Skills.

## Personal, learning and thinking skills

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Opportunities are available to develop personal, learning and thinking skills (PLTS) within sector-related contexts. PLTS are identified in brackets after the unit pass criteria to which they are associated. Further opportunities for learners to demonstrate these skills may also be apparent as learners progress throughout their learning.

# Access and recruitment

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Pearson's policy regarding access to its qualifications is that:

- they should be available to everyone who is capable of reaching the required standards
- they should be free from any barriers that restrict access and progression
- there should be equal opportunities for all wishing to access the qualifications.

Centres are required to recruit learners to BTEC qualifications with integrity. This will include ensuring that applicants have appropriate information and advice about the qualifications and that the qualification will meet their needs. Centres should take appropriate steps to assess each applicant's potential and make a professional judgement about their ability to successfully complete the programme of study and achieve the qualification. This assessment will need to take account of the support available to the learner within the centre during their programme of study and any specific support that might be necessary to allow the learner to access the assessment for the qualification. Centres should consult Pearson's policy on learners with particular requirements.

Centres will need to review the entry profile of qualifications and/or experience held by applicants, considering whether this profile shows an ability to progress to a Level 2 qualification. For learners who have recently been in education, the profile is likely to include one of the following:

- a BTEC Level 1 qualification in business studies or a related vocational area
- a standard of literacy and numeracy supported by a general education equivalent to four GCSEs at grade D-G
- other related Level 1 and Foundation Learning Tier qualifications
- related work experience.

More mature learners may present a more varied profile of achievement that is likely to include experience of paid and/or unpaid employment.

## Restrictions on learner entry

These BTEC qualifications are for learners aged 14 years and over.

## Access arrangements and special considerations

Pearson's policy on access arrangements and special considerations for BTEC and Edexcel NVQ qualifications aims to enhance access to the qualifications for learners with disabilities and other difficulties (as defined by the 1995 Disability Discrimination Act and the amendments to the Act) without compromising the assessment of skills, knowledge, understanding or competence.

Further details are given in the policy *Access Arrangements and Special Considerations for BTEC and Edexcel NVQ Qualifications*, which can be found on the Edexcel website ([www.edexcel.com](http://www.edexcel.com)). This policy replaces the previous Pearson policy (*Assessment of Vocationally Related Qualification: Regulations and Guidance Relating to Learners with Special Requirements, 2002*) concerning learners with particular requirements.

## Recognition of Prior Learning

Recognition of Prior Learning (RPL) is a method of assessment (leading to the award of credit) that considers whether a learner can demonstrate that they can meet the assessment requirements for a unit through knowledge, understanding or skills they already possess and so do not need to develop through a course of learning.

Pearson encourages centres to recognise learners' previous achievements and experiences whether at work, home and at leisure, as well as in the classroom. RPL provides a route for the recognition of the achievements resulting from continuous learning.

RPL enables recognition of achievement from a range of activities using any valid assessment methodology. Provided that the assessment requirements of a given unit or qualification have been met, the use of RPL is acceptable for accrediting a unit, units or a whole qualification. Evidence of learning must be valid and reliable.

# Unit format

All units in the Pearson BTEC Level 2 Certificate/Diploma in Understanding Enterprise and Entrepreneurship have a standard format. The unit format is designed to give guidance on the requirements of the qualification for learners, tutors, assessors and those responsible for monitoring national standards.

Each unit has the following sections.

## Unit code

This is the unit code provided on accreditation. This code is unique to the unit.

## Unit title

The unit title is accredited and this form of words will appear on the learner's Notification of Performance (NOP).

## Level

All units and qualifications have a level assigned to them, which represents the level of achievement. There are nine levels of achievement, from Entry Level to Level 8. The level of the unit has been informed by where appropriate, the NOS and/or other sector/professional benchmarks.

## Credit value

In the BTEC Certificate/Diploma in Understanding Enterprise and Entrepreneurship each unit consists of a credit value; learners will be awarded credits for the successful completion of whole units.

A credit value specifies the number of credits that will be awarded to a learner who has achieved all the learning outcomes of the unit.

## Guided learning hour

Guided learning hours for the units are defined on page 3.

## Aim and purpose

The aim provides a clear summary of the purpose of the unit and is a succinct statement that summarises the learning outcomes of the unit.

## Unit introduction

The unit introduction gives the reader an appreciation of the unit in the vocational setting of the qualification, as well as highlighting the focus of the unit. It gives the reader a snapshot of the unit and the key knowledge, skills and understanding gained while studying the unit. The unit introduction also highlights any links to the appropriate vocational sector by describing how the unit relates to that sector.

## Learning outcomes

Learning outcomes state exactly what a learner should 'know, understand or be able to do' as a result of completing the unit.

## Learning outcome/assessment criteria grid

This lists the assessment criteria for each learning outcome.

## Unit content

The unit content identifies the breadth of knowledge, skills and understanding needed to design and deliver a programme of learning to achieve each of the learning outcomes. This is informed by the underpinning knowledge and understanding requirements of the related NOS. The content provides the range of subject material for the programme of learning and specifies the skills, knowledge and understanding required for achievement of the pass, merit and distinction grading criteria.

Each learning outcome is stated in full and then the key phrases or concepts related to that learning outcome are listed in italics followed by the subsequent range of related topics.

### Relationship between content and assessment criteria

The learner must have the opportunity within the delivery of the unit to cover all of the unit content.

It is not a requirement of the unit specification that all of the content is assessed. However, the indicative content will need to be covered in a programme of learning in order for learners to be able to meet the standard determined in the assessment and grading criteria. The merit and distinction grading criteria enable the learner to achieve higher levels of performance in their acquisition of knowledge, understanding and skills.

### Content structure and terminology

The information below shows how the unit content is structured and gives the terminology used to explain the different components within the content.

- Learning outcome: this is shown in bold at the beginning of each section of content.
- Italicised sub-heading: this contains a key phrase or concept. This is content which must be covered in the delivery of the unit. Colons mark the end of an italicised sub-heading.
- Elements of content: the elements are in plain text and amplify the sub-heading. The elements must be covered in the delivery of the unit. Semi-colons mark the end of an element.
- Brackets contain amplification of elements of content which must be covered in the delivery of the unit.
- 'eg' is a list of examples, used for indicative amplification of an element (that is, the content specified in this amplification could be covered or could be replaced by other, similar material).

## Assessment and grading grid

Each grading grid gives the assessment and grading criteria used to determine the evidence that each learner must produce in order to receive a pass, merit or distinction grade. It is important to note that the merit and distinction grading criteria require a qualitative improvement in a learner's evidence and not simply the production of more evidence at the same level.

## Essential guidance for tutors

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This section gives tutors additional guidance and amplification to aid understanding and a consistent level of delivery and assessment. It is divided into the following sections:

- *Delivery* – explains the content's relationship with the learning outcomes and offers guidance about possible approaches to delivery. This section is based on the more usual delivery modes but is not intended to rule out alternative approaches.
- *Outline learning plan* – the outline learning plan has been included in every unit as guidance and demonstrates one way of planning the delivery and assessment of a unit. The outline learning plan can be used in conjunction with the programme of suggested assignments.
- *Assessment* – gives amplification about the nature and type of evidence that learners need to produce in order to pass the unit or achieve the higher grades. This section should be read in conjunction with the grading criteria.
- *Business planning preparation/Programme of suggested assignments* – the table shows opportunities for learners to generate evidence to cover the assessment grading criteria.
- *Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications* – sets out links with other units within the qualification. These links can be used to ensure that learners make connections between units, resulting in a coherent programme of learning. The links show opportunities for integration of learning, delivery and assessment.
- *Essential resources* – identifies any specialist resources needed to allow learners to generate the evidence required for each unit. The centre will be asked to ensure that any requirements are in place when it seeks approval from Pearson to offer the qualification.
- *Employer engagement and vocational contexts* – gives a short list of agencies, networks and other useful contacts for employer engagement and for sources of vocational contexts.
- *Indicative reading for learners* – gives a list of learner resource material that benchmarks the level of study.
- *Delivery of personal, learning and thinking skills* – provides opportunities for linking the assessment outcomes to PLTS.
- *Functional Skills – Level 2* gives opportunities for the integration of relevant Functional Skills.

# Units

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# Unit 1: The Entrepreneurial Mindset

**Unit code:** A/600/0317

**Level 2:** BTEC

**Credit value:** 5

**Guided learning hours:** 30

## ● Aim and purpose

The aim of this unit is to enable learners to develop the mindset and skills that a successful entrepreneur needs for business.

## ● Unit introduction

Many people dream of running a successful business. Determination, vision, adaptability and a wide variety of skills are required to make a business successful. This unit will enable learners to investigate the qualities and characteristics of successful entrepreneurs, whilst developing the attributes needed to plan and run a business. The development of mindset and skills will, in part, depend on understanding that limits and constraints can be overcome with planning and determination. This reassessment of previously learned concepts may take time, and therefore this unit should be incorporated through the programme of study.

This unit focuses on the attributes of successful entrepreneurs, and learners are encouraged to consider these attributes in terms of their own development. The unit focuses on the ability and capacity all learners have to develop into successful entrepreneurs.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Know the mindset and skills required to be a successful entrepreneur
- 2 Be able to develop mindset and skills for business.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Know the mindset and skills required to be a successful entrepreneur	P1	describe the mindset and skills needed by successful entrepreneurs to plan and run a business
		P2	describe how successful entrepreneurs manage risk
2	Be able to develop mindset and skills for business	P3	conduct a skills audit of self, identifying areas for improvement (RL1)
		P4	describe how skills required for the business will be resourced
		P5	plan own personal development (RL2/SM2/SM3)
		P6	review own progress against the plan (RL3/RL5).

# Unit content

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## 1 Know the mindset and skills required to be a successful entrepreneur

*Mindset:* focus; passion; approaches to risk taking; having a positive attitude; being motivated and dedicated; flexibility and adaptability; creativity; intuitiveness; the drive to succeed and grow; willingness to change mindset; having vision and capacity to inspire

*Skills:* practical/technical skills for making product or providing service; interpersonal communication skills (effective listening, questioning, body language, assertiveness); written communications; dealing with stress; negotiation; problem solving; time management, planning aids, setting objectives, prioritising tasks, delegation; managing risk

## 2 Be able to develop mindset and skills for business

*Assessing:* identifying mindset and skills needed for key business activities (see mindset and skills above); use of self-assessment models, eg GROW (Goal, Reality, Options, Will and Way Forward), reviewing past experience, eg work, education, training; psychometric testing, personal SWOT analysis; using feedback from others; developing a critical approach to self-assessment tools; setting goals

*Plan formats:* eg written, oral (recorded), online

*Skills:* eg own skills, skills of employees, skills of suppliers; skills of auxiliary professionals, eg paperwork, sales, marketing, finance, production, purchasing, business law, obtaining supplies, maintaining equipment, monitoring quality, getting publicity, writing promotional materials, strategic thinking, communication, dealing with stakeholders, negotiation, decision making, problem solving, delegation

*Reviewing:* against set goals and timeline; identifying what was achieved; identifying what wasn't achieved and reasons why; identify skills that need development; identifying resources needed to meet objectives; updating personal development plan

## 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:
<p><b>P1</b> describe the mindset and skills needed by successful entrepreneurs to plan and run a business</p> <p><b>P2</b> describe how successful entrepreneurs manage risk</p>		
<p><b>P3</b> conduct a skills audit of self, identifying areas for improvement [RL1]</p> <p><b>P4</b> describe how skills required for the business will be resourced</p> <p><b>P5</b> plan own personal development [RL2/SM2/SM3]</p> <p><b>P6</b> review own progress against the plan [RL3/RL5].</p>	<p><b>MI</b> prepare and maintain a personal development plan that addresses all current skills needed to be a successful entrepreneur.</p>	<p><b>DI</b> prepare and maintain a personal development plan that addresses all current and potential future skills needed to be a successful entrepreneur.</p>

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated 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

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## Delivery

This unit will allow learners to examine the mindset and skills needed to run their own business. Learners could start by working in small groups listing as many people as they know who run their own business or social enterprise, and the skills they think these people have, and how they think they achieved success. Each group could select two or three from their list and have a class discussion on the findings. Ideally, learners could visit entrepreneurs to question them on the skills and attributes that they valued most when developing their businesses.

It is important that learners understand their own motives for starting a business and in their groups they can prepare a short presentation to feed back to the whole group on the advantages and disadvantages of setting up and running a business. Learners could then prepare a short written statement describing which business activities they would or would not enjoy doing, the reasons why, and how this would affect their chosen lifestyle. This area could then be drawn together with a presentation by a local business person on their experiences of the benefits of starting a business, and the sources of help they used for developing knowledge and skills. Such people could be drawn from the local Chamber of Commerce or from a similar organisation. It is anticipated that some learners will be uncertain as to the scope of what they can achieve; drawing on testimony from entrepreneurs should enable them to develop their aspirations and it is recommended that learners interact with successful local entrepreneurs.

Learners need to consider their own contribution to a business. Case study materials highlighting strong and weak contributions will help learners focus on what they need to identify and how this relates to starting a business. It is important that learners are supported to make some subjective judgements in terms of understanding themselves and how they can work by themselves and with others to meet the needs of both starting and running a business. Psychometric tests, usually in the form of a questionnaire (normally administered on paper, but increasingly by electronic media), can be used. There are two main categories of test: cognitive/mental ability tests, designed to measure numeracy and verbal skills, and personality tests, designed to measure aspects of behaviour. These tests can make a useful contribution to a learner's self-awareness, but feedback should be given by a competent assessor. Learners should be encouraged, with all such tests, to develop a critical stance. This will help them to develop a positive attitude to their own development. Learners should relate their self assessment to the skills required to operate their own business. They should consider whether they personally will meet business skills needs or whether these needs will be met using employees or contractors.

Learners should also be encouraged to get feedback from others, such as family, friends and work experience organisations. Tutors should highlight the issue of possibly receiving negative feedback and how this can be dealt with. In addition, tutorials can be used to draw out learners' ideas about their mindset. A model for goal setting such as GROW can be used to help learners structure their development. Learners could prepare a summary of the skills and knowledge needed to prepare for business, their own experiences, and areas for development, which they would be able to use as the basis for preparing a personal development plan.

Learners should be able to produce their own development plan to their own preferred format. A template should be provided only for learners who are not able to structure their own. This plan should clearly outline realistic skills and knowledge targets, the resources and sources of advice needed to implement the plan and show how development will be monitored. This active planning approach encourages learners to take responsibility for their own learning and development and make the most of any opportunities that arise. This is in itself a useful exercise, reflecting the ability to respond to advice and guidance from professionals.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Tutor-led introduction to the unit and the programme of learning.	1.5
Entrepreneur-led introduction to entrepreneurial mindset and skills, learner exercises and group work.	5.0
Group discussion on mindset and skills of successful entrepreneurs.	1.5
Learners in groups research into different entrepreneurs.	6.0
Learners feed back findings, tutor-led discussion developing theory aspects.	6.0
Learners assess the skills requirements for starting a small businesses.	3.0
Learners work in groups to ascertain how skills will be resourced for their businesses.	3.0
Entrepreneur-led session on the benefits of self-audit, drawing on personal experiences of entrepreneur.	2.0
Tutor-led discussion on theory components of self-assessment – learner group work and exercises. Learner-initiated private study time on aspects of self-assessment.	5.0
Learners undertake self-analysis exercises, eg psychometrics.	5.0
Learners conduct own skills audit, with tutor support contributing to assignment: <b>Skills Audit and Personal Development (P1, P2, P3, P4, P5, P6, M1, D1)</b> .	5.0
Learners work in groups on personal development plan structure.	3.0
Learners prepare personal development plan contributing to assignment: <b>Skills Audit and Personal Development (P1, P2, P3, P4, P5, P6, M1, D1)</b> .	5.0
<b>Total learning time hours</b>	<b>50</b>

## Assessment

Learning outcomes 1 and 2 could be researched through learners questioning an entrepreneur about skills and mindset as detailed in the unit content. Learners' personal development plans must show clearly defined objectives, methods which will be used to develop skills, the knowledge and behaviours needed to achieve goals, the resources to support this achievement, and target and review dates. Learners should review their development after a suitable period of time. It is recommended that learners begin their examination of their entrepreneurial skills and mindset and the progress of their personal development plan at the start of their course and complete their review at the end.

To achieve P1, learners need to provide examples of at least two different entrepreneurs and the skills and mindset they have which enabled them to become successful. To achieve P2, learners need to describe how two entrepreneurs manage risk. The examples may include one well-known entrepreneur such as Peter Jones, Richard Branson and Alan Sugar, but learners should also include one local entrepreneur.

To achieve P3, learners will need to examine their current skills profile against the skills identified in P1. This will involve looking at a wide range of skills that they may have developed from a range of sources. These may be practical, interpersonal or technical skills developed in part-time employment or through voluntary activities. They may be skills that they are demonstrating as learners, such as research or time management skills. Learners need to be able to demonstrate that they have achieved or are working towards skills at the appropriate level, as well as provide evidence of their strengths and weaknesses.

P4 requires learners to understand the skills requirements of their own businesses and how these will be resourced. This could be through themselves and their own development but is also likely to include contracted-in skills and employees. Learners should be encouraged not to restrict their business vision on the basis of skills gaps but to propose solutions.

This information will help learners formulate the personal development plan required for P5. This can be designed with tutor guidance and must show evidence of planned learning activities and resources needed to achieve agreed targets. For P6 the development plan should have evidence of reviewing. The plan should be an ongoing activity undertaken throughout the programme of study in order for reflection, feedback, and monitoring of activities.

For a merit grade (M1), learners must extend their knowledge of the skills needed to be a successful entrepreneur by assessing own potential future skills needs. This ensures that learners are already thinking about how their businesses could grow and the different skills they need to cope, such as managing people.

For a distinction grade, learners must develop a plan that looks to future skills needs (D1).

## Business planning preparation

The table below shows how the grading criteria are assessed through the preparation learners will undertake for their business plan.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, P3, P4, P5, P6, M1, D1	Skills Audit and Personal Development	To use as basis for learning on programme.	Conduct a skills audit based on identified skills and mindset of successful entrepreneurs and the attributes and mindset they need to run their business.  Prepare and review a personal development plan.

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

This unit forms part of the BTEC Enterprise and Entrepreneurship sector suite. The unit has particular links with:

Level 2	Level 3
Creating a Vision for your Business Plan	Leadership and Teamwork
Enterprise in the Workplace	Working as an Intrapreneur

Tutors should introduce this unit at the start of the learning programme, so that learners can carry out meaningful reflection, and prepare a personal development plan which can be monitored and reviewed throughout the course.

This unit links to the following National Occupational Standards at level 2 in Understanding Enterprise:

- UE1 Choosing your business enterprise
- UE2 Identifying and managing opportunities and risks
- UE5 Winning help and support.

## Essential resources

Many of the outcomes for this unit require learners to undertake research. Learners should be introduced to as many different forms of information as possible to enable research skills to be effectively developed. Libraries and other research facilities including the internet, national newspapers, local banks and start-up business training agencies are all useful. As part of assessing their own mindset and skills, learners will find it useful to complete different psychometric tests. Suggested tests include the Myers-Briggs personality assessment, and although full tests usually have an associated cost due to the nature of the interpretative report given, the internet is a useful source for free practice tests covering personality, creativeness, and entrepreneurship.

## Employer engagement and vocational contexts

Visits to businesses and from guest speakers will be essential for the delivery of this unit. Entrepreneurs who can talk about the skills they needed to develop to get their business or social enterprise running and sources of help they used will be invaluable.

## Indicative reading for learners

### Textbooks

Adair J – *Effective Teambuilding: How to Make a Winning Team* (Pan, 1987) ISBN 978-0330298094

Belbin M – *Team Roles at Work* (Butterworth-Heinemann Ltd, 1996) ISBN 978-0750626750

Jones P – *Tycoon* (Hodder and Stoughton, 2008) ISBN 978-0340952351

Leigh A and Maynard M – *Leading Your Team* (Nicholas Brealey, 2002) ISBN 978-1857883046

Williams S – *Lloyds TSB Small Business Guide, 13th Edition* (Vitesse Media Group, 2003) ISBN 978-0954562120

### Websites

[www.chamberonline.co.uk](http://www.chamberonline.co.uk) British Chambers of Commerce – business support

[www.cim.co.uk](http://www.cim.co.uk) Chartered Institute of Marketing

[www.cipd.co.uk](http://www.cipd.co.uk) Chartered Institute of Personnel and Development

[www.lloydstsbbusiness.com](http://www.lloydstsbbusiness.com) Small Business Guide Lloyds TSB

[www.peterjones.tv](http://www.peterjones.tv) Peter Jones TV

[www.sfedl.co.uk](http://www.sfedl.co.uk) Small Firms Enterprise Development Initiative

Learners should be encouraged to consult a wide range of commercial websites to support the evidence they develop for this unit. Websites often make reference to other internet information sources. These resources should be used with caution.

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Reflective learners</b>	P4 conducting a skills audit of self, identifying areas for improvement (RL1) P5 planning own personal development (RL2/SM2/SM3) P6 reviewing own progress against the plan (RL3/RL5)
<b>Self-managers</b>	P5 planning own personal development (RL2/SM2/SM3).

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 ...
<b>Creative thinkers</b>	finding creative solutions to skills shortages
<b>Reflective learners</b>	describing skills needs for their businesses, focusing on their own development
<b>Self-managers</b>	managing their own personal development.

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	researching sources of information and advice
<b>ICT – Develop, present and communicate information</b>	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> <li>• text and tables</li> <li>• images</li> <li>• numbers</li> <li>• records</li> </ul>	creating a presentation on skills and attributes of successful entrepreneurs
Bring together information to suit content and purpose	preparing their personal development plan
Present information in ways that are fit for purpose and audience	maintaining their personal development plan
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	discussing ideas on entrepreneurial skills presenting their findings to an audience
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	maintaining personal development plan.

# Unit 2: Creating a Vision for your Business Plan

**Unit code:** M/600/0315

**Level 2:** BTEC

**Credit value:** 5

**Guided learning hours:** 30

## ● Aim and purpose

The aim of this unit is for learners to understand how business ideas are created and gain the skills and confidence to generate their own.

## ● Unit introduction

Successful entrepreneurs develop ideas and turn these ideas into a product or service to which they can make a commitment. They do this by having a vision of the future of the product or service and by making this vision a reality.

In the first part of this unit learners will explore successful and innovative business ideas. They will learn about how some ideas have been based on identifying new customer needs, whilst others have provided innovative means of satisfying established needs. Learners will go on to investigate how some successful entrepreneurs have developed their ideas and launched innovative businesses.

Next, learners will choose an idea for implementation and explain their reasons for rejecting other ideas; they will select which of their ideas they wish to work with as the basis for a fully-developed business plan.

Learners will explore sources of advice and guidance, and networks that can support them in business and will use opportunities to gather information to support their business planning development.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Understand why business ideas are successful
- 2 Be able to assess the suitability of a business idea
- 3 Be able to articulate a coherent vision for a new business idea
- 4 Be able to use sources of help and support in developing a new business.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Understand why business ideas are successful	P1	explain why business ventures are successful (IE3)
2	Be able to assess the suitability of a business idea	P2	generate an idea that could be implemented, giving reasons
		P3	explain the reasons the other ideas were rejected
3	Be able to articulate a coherent vision for a new business idea	P4	plan how an idea could develop over a period of at least two years (CTI)
4	Be able to use sources of help and support in developing a new business	P5	describe sources of advice and guidance and networks that can help in developing a new business
		P6	consult trusted sources and networks for information and to help make decisions
		P7	explain how businesses can use sources of advice and guidance, and networks to support business development.

# Unit content

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## 1 Understand why business ideas are successful

*Successful ventures:* ways to meet customer needs, eg products or services; identifying new customer needs, eg life coach, social networking websites; methods of meeting established customer needs, eg online, healthcare services, leisure products, DIY products, leisure services; the ideas and actions of creative young business men and women such as Tanya Budd, Rose Grimond, Sergey Brin, Mark Zuckerberg; importance of the vision

*Measures of success:* eg financial, social, customer satisfaction; meeting identified customer needs; finding innovative solutions to meet customer needs

## 2 Be able to assess the suitability of a business idea

*Idea selection and reasons:* estimating resources required to develop ideas; own time; others' time; skills; finance; premises; area of interest; personal commitment to the idea; selecting the idea that is most appropriate

*Likelihood of success or failure:* access to prospective customers; existing demand; estimating profitability

*Identification of major barriers for a start-up business:* eg large start-up costs; cash flow; licences

*Longer-term benefits:* links with vision; skill development; passion for idea

## 3 Be able to articulate a coherent vision for a new business idea

*Business ideas:* product or service; features of typical 'targeted' customers: age; location; interests; concerns; the benefit to customers or consumers of product or service; difference between 'benefits' and 'features'

*Plan:* vision, concept, possible customers, possible routes to market, strategy for dealing with competitors, ideas for financing, ideas for implementation, ideas for expansion, ideas for closure (if appropriate), eg selling a business, closing a business

## 4 Be able to use sources of help and support in developing a new business

*Sources:* Business Link; bank manager; other businesses; advice agencies

*Networks:* Chambers of Commerce; trade associations; professional bodies; friends and family; charities and voluntary organisations

*Consult:* eg for advice about business ideas; ensuring security of the idea

## 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 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:
<b>P1</b> explain why business ventures are successful [IE3]	<b>M1</b> explain how business success is measured	
<b>P2</b> generate an idea that could be implemented, giving reasons <b>P3</b> explain the reasons the other ideas were rejected	<b>M2</b> generate one well thought-through idea that responds to market needs	<b>D1</b> generate one innovative idea which is a creative response to a market need.
<b>P4</b> plan how an idea could develop over a period of at least two years [CT1]	<b>M3</b> explain the required features for success of one new business idea.	<b>D2</b> evaluate the likelihood of success of the idea.
<b>P5</b> describe sources of advice and guidance and networks that can help in developing a new business <b>P6</b> consult trusted sources and networks for information and to help make decisions <b>P7</b> explain how businesses can use sources of advice and guidance, and networks to support business development.		

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated 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

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## Delivery

This unit takes learners through the initial stage of enterprise development: creating a vision for a business idea. The delivery of this unit could be coordinated with Toolkits for Idea Generation, particularly if learners need to generate their own business ideas for a new business plan. The unit lends itself to being delivered over a short intensive period rather than through a long series of weekly lessons.

In order to complete this unit successfully, learners will need to take risks with developing and expressing a vision for the future. One of the aims of this unit is to develop learners' self-confidence and to enable them to adapt their mindset to that of an entrepreneur. It is unlikely that this aim can be achieved using traditional teaching methods and so an individual approach to each learner's needs is recommended. Learning methods should be active, challenging and full of surprises so as to create an atmosphere of constructive excitement. Activities such as games, problem-solving or outdoor challenges can help to break down barriers and enable learners to develop and express their ideas more freely. Learners should interact with experienced entrepreneurs as often as possible to enable learners to learn from experience.

For learning outcome 1, learners should question real entrepreneurs about how their ideas were developed and about the ideas that were discarded. Learners should explore the stories of entrepreneurs with whom they can identify. A list of young entrepreneurs has been supplied in the content of the unit but this is indicative only, and centres are free to use the examples which are most likely to inspire and energise their learners. A variety of media and activities should be used to carry out the investigation.

Learners should be encouraged to think in terms of meeting customers' needs or aspirations as being the basis for all enterprises and to explore how often new ideas meet established needs in an innovative way. Learners should become adept at identifying the difference between the features of a product or service and the perceived benefits to the consumer. For example, the features of training shoes are that they are made of lightweight material and have thick soles, and the benefits are that they bring comfort and make the wearer feel like an athlete. New social enterprises could form part of this research even for those who are not considering developing a social enterprise.

Learning outcome 2 requires a different type of thinking, although learners still envisage a future that is different from the present. Learners now need to become more critical and consider the feasibility of business ideas. Learners could work through several of their own business proposals, discussing the challenges and advantages of each and agreeing which one has the greatest chance of success, before going on to assess the ideas they have produced.

Learning outcome 3 requires learners to take an idea and explain how it could be developed over a period of at least two years. If learners are planning to undertake other units in the BTEC Level 2 in Enterprise and Entrepreneurship then they should select an idea that is manageable for this qualification. If learners have undertaken Toolkits for Idea Generation, they should be able to select an idea from the outcomes of this unit. Otherwise, learners should develop an existing idea that has been the subject of their learning for learning outcome 1.

Learning outcome 4 requires learners to investigate sources of advice and guidance as well as supporting networks that would be relevant for their selected business idea development. Learners should research relevant local resources. A visiting speaker such as an entrepreneur or someone from a business body would support learning. Learners should consult sources of advice and guidance, and networks for help in planning ideas, ensuring that they are confident of the security of the idea.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Tutor introduction, setting rules.	1.0
Learners research how successful ideas were developed: case histories of successful entrepreneurs, and visits from entrepreneurs, question visitors or network, web research, reading, sharing success stories in group.	5.0
Learners in groups discuss measures of business success with tutor support.	3.0
Learner-initiated private study and business plan section: <b>Successful Entrepreneurship (PI, MI)</b> .	6.0
Importance of customer 'benefits': learners in groups undertake exercises differentiating between 'features' and 'benefits'.	3.0
Identification of how customers' needs can be met in different ways: learner analysis of different ideas and how they met customers' needs in different ways.	6.0
Learners select a business idea, either from examples or from learning from Toolkits for Innovation. Learners work in groups to discuss benefits and disadvantages of the selected idea, and present to other learners.	4.0
How to develop a vision: case study of visionary entrepreneur. Visit from entrepreneur; learners practise developing a vision.	4.0
Learners consider issues in determining the feasibility of a business idea: case study of a failed business.	4.0
Group exercises in evaluating feasibility of proposals over a two-year period.	2.0
Learners in groups research sources of advice, and available networks that could support a business idea, learners consult sources of advice and guidance and networks.	4.0
Business plan section including learner-initiated private study: <b>Planning an Idea Based on Your Vision (P2, P3, P4, P5, P6, P7, M2, M3, DI, D2)</b> .	8.0
<b>Total learning time hours</b>	<b>50</b>

## Assessment

As this is one of a series of units leading to the production of a business plan, an integrated approach to assessment is recommended. Work should be broken up into manageable stages for the learners. The assessment programme could be presented as a series of interlinked and coordinated assignments from which the business plan, written in *Preparing and Pitching a Business Plan*, is derived. It will be necessary to have detailed and well-maintained tracking records so as to track the achievement of individual criteria and units.

The evidence for assignment 1 can be a presentation or a portfolio of evidence. When using presentations, individual observation records should be prepared showing how each learner has achieved each criterion awarded. Supporting evidence in the form of presentation materials, learners' notes and peer observations must be retained. Assignment 2 is likely to be a portfolio of evidence and a brief project plan. Both assignment 1 and assignment 2 could contribute to the initial sections of the business plan through which the Level 2 enterprise core units are assessed. Assignment 1 could provide the rationale for the choice of a development, with assignment 2 providing the more specific detail.

For PI, learners should individually identify at least two successful ventures and give sufficient detail of each idea to show why it is successful.

For MI, learners should explain how success is measured in business, developing examples used to meet PI.

For P2, learners should select one idea through assessing the idea against the reasons given in the content for this part of the unit. The learner should use at least four aspects from the content in their explanation for choosing the selected idea.

For P3, learners should fully explain the reasons for rejecting other ideas.

For P4, learners should take one of the ideas and envisage how it could be developed over a period of at least two years. This is likely to include ideas for expanding on the original start-up into related products or services, different areas, new groups of customers and for developing the larger-sized business to accommodate it.

P5, P6 and P7 should be incorporated into the plan to show how learners could draw on advice and guidance and networks in the business development. Learners should produce evidence of two sources of advice and guidance they have consulted and could use these in their response to P7, explaining how networks can support business development.

To achieve M2 learners will need to have produced a new idea which has a well-thought-through response to market needs.

For M3, learners should explain a vision that traces the steps along the way from the original idea to a business that is successful.

For D1, they will come up with one idea that others have not considered and that responds creatively to market needs, and will be able to articulate their thoughts well.

D2 builds on both M3 and P4, as learners have to evaluate the likelihood of success of the development of one business idea. Learners will need to define what success is and use one or more sources of information to support judgements on whether the idea is likely to be successful. Sources of information could be magazine or newspaper articles or statistics that provide relevant evidence. Learners are not expected to have a fully-developed knowledge of business at this stage of the programme.

## Business planning preparation

The table below shows how the grading criteria are assessed through the preparation learners will undertake for their business plan.

Criteria covered	Assignment title	Scenario	Assessment method
P1, M1	Successful Entrepreneurship	Learners investigate a successful business venture.	Portfolio of evidence/ presentation.
P2, P3, P4, P5, P6, P7, M2, M3, D1, D2	Planning an Idea Based on Your Vision	Learners select an idea, giving reasons, and plan development for next two years.	Portfolio of evidence and a brief project plan/ presentation.

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

This unit forms part of the BTEC Enterprise and Entrepreneurship sector suite. This unit has particular links with the following:

Level 2	Level 3
The Business Environment	Business Planning and Pitching
Researching your Market	
The Marketing Plan	
Financial Modelling and Forecasting	
Preparing and Pitching a Business Plan	

The unit also includes knowledge and skills from the following National Occupational Standards at level 2 in Understanding Enterprise:

- UE1 Choosing your business enterprise
- UE2 Identifying and managing opportunities and risks
- UE3 Knowing the market and satisfying customers
- UE4 Making successful deals
- UE5 Winning help and support.

### Essential resources

Learners should interact with entrepreneurs who can describe how they developed their ideas and visions for the future. They should also have the means to research business success stories.

Tutors will need to have access to resources to support creativity or problem-solving activities.

Learners should be supported to present their work imaginatively either orally or through written documents.

### Indicative reading

#### Textbooks

Hare K and Reynolds R – *The Trainer's Toolkit: Bringing Brain Friendly Learning to Life* (Crown House Publishing Ltd, 2005) ISBN 978-1904424239

De Bono E – *de-Bono's Thinking Course: Powerful Tools to Transform Your Thinking* (BBC, 2006) ISBN 978-1406612028

Jones P – *Tycoon* (Hodder and Stoughton, 2007) ISBN 978-0340952351

Lester D – *How they started – How 30 good ideas became great businesses* (Crimson Publishing, 2007) ISBN 978-1854584007

Mawson A – *The Social Entrepreneur, Making Communities Work* (Atlantic Books, 2008) ISBN 978-1843456610

## Websites

www.businesslink.co.uk	Business Link
www.peterjones.tv	Peter Jones TV
www.sfedl.co.uk	Small Firms Enterprise Development Initiative
www.socialenterprise.org.uk	Social Enterprise Coalition

Learners should be encouraged to consult a wide range of commercial websites to support the evidence they develop for this unit. Websites often make reference to other internet information sources. These resources should be used with caution.

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Independent enquirers</b>	P1 explaining why business ventures are successful (IE3)
<b>Creative thinkers</b>	P2 planning how an idea could develop over a period of at least two years (CT1/6).

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 ...
<b>Independent enquirers</b>	planning how a business idea can develop over a period of two years (IE1)
<b>Reflective learners</b>	generating an idea that could be implemented giving reasons (RL3/RL5)
<b>Team workers</b>	discussing in groups the benefits and disadvantages of ideas taking feedback from peers and entrepreneurs (TW6)
<b>Self-managers</b>	researching new businesses and choosing their own new idea to develop (SM1)
<b>Effective participators</b>	planning the development of an idea drawing on feedback and experience of entrepreneurs (EPI/EP2).

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Use ICT systems</b>	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	investigating the work of entrepreneurs and explaining why they are successful
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	planning how an idea could develop over a period of at least two years
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	investigating the work of entrepreneurs and explaining why they are successful
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	investigating the work of entrepreneurs and explaining why they are successful
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	discussing new ideas with peers and others and choosing an idea that could be implemented
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	describing sources of advice and guidance in developing a new business describing the networks that can support business development.

# Unit 3: The Business Environment

**Unit code:** H/600/0313

**Level 2:** BTEC

**Credit value:** 5

**Guided learning hours:** 30

## ● Aim and purpose

The aim of this unit is to enable learners to develop the skills and knowledge needed to research the external business environment and their own business skills needs, and consider how these factors may affect their own business.

## ● Unit introduction

The business environment is continually changing and entrepreneurs must constantly monitor changes and adapt their business plans to ensure that their businesses succeed. No business can survive unless it fits into the environment in which it operates.

In this unit learners will learn about the impact changes in the external environment have on a selected microbusiness or social enterprise. The changes studied will include a range of current social, environmental and technological issues.

Learners will go on to consider what an entrepreneur needs to learn before employing others. The most important regulations about employment status, health and safety, minimum wages, working hours and equal opportunities are covered.

Finally, learners will learn about how to lead their business through the development of an organisation structure and the use of a range of leadership styles.

A practical approach should be adopted to equip the learner with the knowledge and skills needed to find and select information needed for their own business.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Know how the current business environment may impact on a microbusiness
- 2 Know about current social, technological and environmental trends
- 3 Be able to select a format and business model for a microbusiness
- 4 Understand the principles of employing and managing others.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Know how the current business environment may impact on a microbusiness	P1	identify sources of information about the current business environment
		P2	describe how a new micro start-up business relates to the business environment
2	Know about current social, technological and environmental trends	P3	describe current trends and how these will impact on a micro start-up business
		P4	describe potential ethical concerns of customers about a micro start-up business
3	Be able to select a format and business model for a microbusiness	P5	justify a format, and business model for a micro start-up business
4	Understand the principles of employing and managing others	P6	identify the main provisions of employment law which affect a micro start-up business
		P7	explain how you will lead a new business over the next three years (CT1/CT3).

# Unit content

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## 1 Know how the current business environment may impact on a microbusiness

*Sources of information:* broadsheet newspapers; professional and trade journals and websites; government websites; business networking organisations; reliability of sources; bias and currency

*Current business environment:* national; local

*National:* political issues: level and type of government support for microbusinesses, taxation; economic issues: level of employment, inflation, exchange rates, cost of loans

*Local:* location of business, requirements for premises (if appropriate), resources required, location of suppliers, location of customers in relation to business, location of competitors, location of staff (if appropriate)

*Impact:* on selected target group of customers; relevance to specific business proposition

## 2 Know about current social, technological and environmental trends

*Trend (direction something tends to move):* social trends: population changes, eg increasing life expectancy; households and families, eg more cohabiting; education, eg increasing achievements at GCSE; labour market, eg increase in flexible working; travel, eg increase in amount of travel; technology trends, eg increasing use of information technology, telephony and web developments; environment, eg increase in renewable energy and recycling, other trends

*Ethical concerns of potential customers:* eg carbon footprint; sources of timber; child labour; inadequate pay; animal welfare; identification of values of an organisation and ethical codes to address ethical concerns; contribution of business to the community

## 3 Be able to select a format and business model for a microbusiness

*Format:* eg sole trader, partnership, limited company, social enterprise formats

*Sole trader:* one owner; sole responsibility; liability for all debts of business; risks to own property; cheap; simple; few legal requirements

*Partnership:* shared ownership; shared responsibility; joint liability for all debts of business; value of legal partnership agreement

*Limited company:* separate legal entity; shared ownership through share holding; liability limited to investment in business; need for company registration and on going submission of accounting statements.

*Social enterprise formats:* trusts; associations; community interest company; industrial and provident societies; charity: reporting requirements, business values, role of trustees

*Business model:* make or buy, delivering to customer eg internet only, franchise, direct sales, pyramid scheme

## 4 Understand the principles of employing and managing others

*Employment law:* employed status versus contracting out work; checking whether workers are employed or self-employed; registration with HM Revenue and Customs; liability for income tax under Pay as You Earn (PAYE) and National Insurance contributions; regulations affecting employment such as minimum wage; working hours; health and safety and discrimination; requirements for employing volunteers in social enterprises; training and developing staff

*Organisation structure:* dividing and coordinating work; different bases for organisational structure; line; function, eg finance, marketing, product; geographical, project; organisation chart; line management communication and relationships, impacts of structure on new enterprise

*Leadership style:* autocratic, democratic, laissez faire, eg Tannenbaum and Schmidt, continuum of leadership behaviour (tells, sells, tests, consults, joins); choice of style for different situations

## 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 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:
<p><b>P1</b> identify sources of information about the current business environment</p> <p><b>P2</b> describe how a new micro start-up business relates to the business environment</p>	<p><b>M1</b> explain how the changes in the current business environment are likely to impact upon a selected micro start-up business</p>	<p><b>D1</b> assess the risks and opportunities changes in the current business environment pose for a selected micro start-up business</p>
<p><b>P3</b> describe current trends and how these will impact on a micro start-up business</p> <p><b>P4</b> describe potential ethical concerns of customers about a micro start-up business</p>	<p><b>M2</b> explain how current trends are likely to impact on a micro start-up business</p>	
<p><b>P5</b> justify a format, and business model for a micro start-up business</p>	<p><b>M3</b> explain how the format and business model of a microbusiness enables it to carry out its activities</p>	
<p><b>P6</b> identify the main provisions of employment law which affect a micro start-up business</p> <p><b>P7</b> explain how you will lead a new business over the next three years [CT1/CT3].</p>	<p><b>M4</b> predict the impact of leadership styles on the activities of a microbusiness.</p>	<p><b>D2</b> explain why a specific leadership style could be adopted to respond to business opportunities and changes.</p>

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated 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

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### Delivery

This unit takes learners through part of the process of developing a business plan – that of examining the external business environment. The delivery of this unit could be coordinated with other business planning units to maximise the benefits of the continuing theme. It should be emphasised that learners working on individual business plans will need to work independently to some extent. However, this should not preclude group work and research where there are common objectives.

Potentially, the unit covers a large amount of ground and the intention is that, rather than become knowledgeable about all aspects of the business environment, learners instead become aware of the need to monitor the business environment and develop the skills to research what they need in order to develop a specific microbusiness.

An active approach should be taken to delivery, encouraging learners to take responsibility for finding information and applying it to their own business plans. The unit gives learners opportunities to explore current affairs and reflect on the impact that changes could have on microbusinesses or social enterprises.

For learning outcome 1, learners should read selected press cuttings or blogs on local and national issues and consider the level and type of impact the developments can have on their business. The tutor could act as a consultant, explaining terms and correcting assumptions as needed. The intention is for learners to be able to make practical decisions about their new business and for these decisions to be reflected in their business plan.

For learning outcome 2, learners could identify the social, technological and environmental trends that they have observed and then use research to check out whether these trends are supported by data. Learners should assess the validity of the sources of data and also the need to find sources that can be understood and accurately interpreted. Learners should then consider their business idea and the specific impact that these trends will have on the idea in the future.

For learning outcome 3, learners should be introduced to the main principles of the different legal statuses and models open to micro start-up businesses. Care should be taken to ensure that they understand the main points relating to ownership and liability. Learners will not be assessed on their knowledge of all legal formats but should be sufficiently informed to choose a format appropriate to their start-up business and to be able to justify the choice.

For learning outcome 4, learners could interview someone who has been through the process of employing people for the first time and ask how it was done. They could then work in small groups within a business simulation, taking on the role of owners of a microbusiness or social enterprise employing others for the first time. They should draw up a list of legal issues that may arise. As well as the items listed in the content the following legislation is likely to be of interest to a new employer:

National Minimum Wage: National Minimum Wage Regulations 1999 (Amendment) Regulations 2008 [SI 2008 1894], Working Hours: Working Time Regulations (1998), equal opportunities legislation (illegal to discriminate on grounds of sex, race, age, marital status, gender reassignment, religion/belief, trade union membership, sexual orientation, part-time or fixed-term employment); Health and Safety at Work Act 1974 (legal responsibility of an employer to ensure as far as reasonably practicable the health, safety and welfare of the employees and others who may be affected by the work they do, to ensure staff have suitable training and understand health and safety requirements).

Learners should research using websites designed for small and new employers and then present their plans for employing others to the rest of the group. They should then be in a position to plan the structure of their business and the way in which they plan to lead it over the next two years.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Introduction to unit and programme of learning.	0.5
Group discussion using case studies of microbusiness or social enterprise and selected press cuttings covering political and economic issues and analysing the impact of changes on the business. Tutor explanation of key terms.	3.0
Learners propose trends to investigate covering social, technological and environmental issues and use web research to find data to confirm trends – tutor leads group sharing of findings and evaluation of which sources are reliable.	6.0
Entrepreneur leads learner discussion on impact of social, technological and environmental issues on a specific business or social enterprise. Learners discuss in groups the impacts on their proposed businesses.	3.0
Individual learning time and business plan section: <b>Watching the Environment (P1, P2, P3, P4, M1, M2, D1).</b>	10.0
Learners interview a small-scale employer to find out how the first employee was employed, the sources of advice and support, how the organisation was structured and how the employee was managed.	1.5
Pair work based on a simulated microbusiness or social enterprise taking on its first employees – learners research legal issues, produce organisation chart and outline of jobs and propose the leadership styles to be adopted for specified situations. Learners relate to their own business plans or they envision future expansion if their initial plan doesn't require additional staff.	6.0
Learners work on drawing up employment proposals and preparing documents for their own proposed businesses.	10.0
Tutor- or entrepreneur-led group discussion on legal formats and liability for microbusinesses and social enterprises.	2.0
Individual learning time and business plan section: <b>My Business Format and Model (P5, P6, P7, M3, M4, D2).</b>	8.0
<b>Total learning time hours</b>	<b>50</b>

## Assessment

As this is one of a series of units leading to the production of a business plan, an integrated approach to assessment is recommended. Work should be broken up into manageable stages for the learners. The assessment programme could be presented as a series of interlinked and coordinated assignments from which the business plan, written in *Preparing and Pitching a Business Plan*, is derived. It will be necessary to have detailed and well maintained tracking records so as to track the achievement of individual criteria and units.

For P1, learners need to respond to the areas of content that are relevant to their microbusiness plan. These should be related to reliable sources of information.

For P2, learners should focus on developments that have a particular impact on their proposed businesses and state why these particular issues were selected.

For M1, learners should explain why and how each of the selected developments is likely to affect the selected start-up business.

For P3, learners should describe at least one trend from the social, technological and environmental examples in the content that could have an impact on their proposed business start-up.

For P4, learners should describe customers' ethical concerns. Learners could undertake limited research with other learners to gather views.

For M2, learners should explain why and how each of the selected developments is likely to affect their selected start-up business.

For D1, learners need to assess the extent to which the selected developments in the external business environment will affect the proposed start-up business. This should go beyond expressing a hunch or opinion and seek to draw on relevant data or balance one argument with the opposing argument before coming to a decision.

For P5, learners need to justify a legal model and structure for their start-up business. They should give reasons for their choice, explaining why the format meets business needs. Learners will not be assessed on their knowledge of all legal formats but should be sufficiently informed to choose a format appropriate to their start-up business and to be able to justify the choice. For M3, learners should be able to explain the reasons for deciding on the format and model and how this will help them to achieve the overall objectives of the proposed start-up business.

For P6, learners need to show that they have identified the main legal aspects affecting employment such as confirming whether someone is an employee, responsibility for tax and National Insurance, minimum wage, working hours, health and safety and discrimination. Learners should show evidence of having used reliable sources of information to clarify the employment in their proposed start-up business.

For P7, learners should explain how they will lead the business over the next three years, drawing on leadership styles that they think would be appropriate for their microbusiness. For M4, learners should develop their response to P7 by assessing the possible impact of leadership styles in a microbusiness environment. For D2, learners will forecast the impact of change and the effectiveness of leadership styles in the context of this change.

## Business planning preparation

The table below shows how the grading criteria are assessed through the preparation learners will undertake for their business plan.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, P3, P4, M1, M2, D1	Watching the Environment	Learners are developing their own business plans for proposed micro start-up businesses.	Learners plan how their business will relate to the business environment. This will constitute preparation for a section of their business plan.
P5, P6, P7, M3, M4, D2	My Business Format and Model	As above.	Learners describe the new structure of their business including their plans for leadership in their proposed microbusiness over the next three years. This will constitute preparation for a section of their business plan.

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

This unit forms part of the BTEC Enterprise and Entrepreneurship sector suite. This unit has particular links with the following:

Level 2	Level 3
Creating a Vision for your Business Plan	Business Planning and Pitching
Researching your Market	
The Marketing Plan	
Financial Planning and Forecasting	
Preparing and Pitching a Business Plan	

This unit also includes knowledge and skills from the following National Occupational Standards at level 2 in Understanding Enterprise:

- UE6 Planning for success.

### Essential resources

Learners should have access to the internet to allow them to carry out research into specific aspects of the business environment. Contact with someone who has set up a business would also be beneficial.

### Employer engagement and vocational contexts

Visits to businesses and from guest speakers will be useful. Entrepreneurs who can talk about the impact of the business environment on their business will be particularly helpful.

### Indicative reading for learners

#### Textbooks

Carysforth C and Neild M – *BTEC First Business Student Book, 2nd Edition* (Heinemann, 2006), ISBN 978-0435499075

Dooley D, Dransfield R, Goymer J, Guy P and Richards C – *BTEC Nationals Business Book 1* (Heinemann, 2007) ISBN 978-0435465445

Mawson A – *The Social Entrepreneur, Making Communities Work* (Atlantic Books, 2008) ISBN 978-1843456610

Reuvid J – *Start Up and Run Your Own Business* (Kogan Page, 2009) ISBN 978-0749454159

## Websites

HM Revenue and Customs – *Thinking of Employing Someone* leaflet from [www.hmrc.gov.uk/employers/employing-someone.pdf](http://www.hmrc.gov.uk/employers/employing-someone.pdf)

[www.businesslink.gov.uk](http://www.businesslink.gov.uk)

Business Link

[www.sfedl.co.uk](http://www.sfedl.co.uk)

Small Firms Enterprise Development Initiative

[www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)

Social Enterprise Coalition

[www.statistics.gov.uk/socialtrends38](http://www.statistics.gov.uk/socialtrends38)

National Statistics Office – social trends

Learners should be encouraged to consult a wide range of commercial websites to support the evidence they develop for this unit. Websites often make reference to other internet information sources. These resources should be used with caution.

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Creative thinkers</b>	P7 explaining how you will lead a new business over the next two years (CT1/CT3).

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 ...
<b>Creative thinkers</b>	exploring ways of leading and structuring a business
<b>Self-managers</b>	describing the way a new business will relate to the business environment.

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	P5 justifying a format and model for a micro start-up business
<b>ICT – Develop, present and communicate information</b>	
Bring together information to suit content and purpose	P1 identifying sources of information about the current business environment
	P2 describing how a new micro start-up business relates to the business environment.



# Unit 4: Researching your Market

**Unit code:** Y/600/0311

**Level 2:** BTEC

**Credit value:** 5

**Guided learning hours:** 30

## ● Aim and purpose

The aim of this unit is to enable learners to undertake market research to support the development of a microbusiness and to interpret the results.

## ● Unit introduction

Any business needs to understand its customers and the market in which it operates. This is achieved through researching the market and analysing the findings as objectively as possible. Market research can be used to define or refine the business USPs and to gain insight into customer views on a variety of aspects of the business. In this unit learners should use market research to help refine their business ideas.

Learners will learn how to plan cost-effective market research to meet the needs of a micro start-up business or social enterprise. They will study different methods of primary research and how to use secondary research.

Learners will go on to consider different methods of analysing their findings using both numerical techniques and specialist marketing techniques, as appropriate.

Finally, learners will learn how to draw conclusions from their analysis and integrate these decisions into a business plan.

The overall emphasis is on a practical approach suitable for a micro start-up business.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Be able to carry out market research
- 2 Be able to analyse and interpret data about a market.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Be able to carry out market research	P1	describe the market research needs for a micro start-up business
		P2	plan market research for a start-up business
		P3	conduct primary and secondary market research for a micro start-up business (IE1/IE2)
2	Be able to analyse and interpret data about a market	P4	analyse marketing data using appropriate analytical techniques
		P5	draw conclusions from market research which include customer needs (IE4)
		P6	apply conclusions from market research in planning for the ongoing success of a microbusiness.

# Unit content

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## 1 Be able to carry out market research

*Market research:* market research definition; purposes for microbusiness: reduce risks, convince sponsors, make first link with potential customers, refine USPs; methods: primary, secondary; primary research methods, eg observations, questionnaires, telephone surveys, collection of data on website activity, focus groups; secondary research sources of data, eg websites, purchased research material eg Mintel, omnibus surveys; who to research: customers, competitors; subject focus, eg demographics, social issues, geography, business market issues, customer preferences, eg benefits

*Planning research:* clarification of research questions, eg size of potential market, price that potential customers are prepared to pay; selection of type of research to fit research questions, sources of data; suitability for type of research; importance of cost-effectiveness

*Conduct market research—primary research:* eg observations: unobtrusiveness, permissions, note taking; questionnaire and telephone survey: design purpose, type of response, question types, question order, in-built bias; collection of data on website activity: clear purpose, selection of websites, use of web-counters; focus groups: choice of attendees, encouraging rapport, recording findings

*Conduct market research—secondary research:* eg selection, interpretation, reliability of sources

*Selection of sample:* size, ability to represent prospective customer group(s)

## 2 Be able to analyse and interpret data about a market

*Numerical analytical techniques:* eg tally charts; percentages; pie chart; bar graph; analysis by demographic variable, eg age, gender; analysis by social variable, eg class; analysis by geography, eg county, neighbourhood; business markets analysis: size, industry; selection of method of analysis which links with research questions

*Market segmentation:* definition; purpose; methods of segmenting a market, eg demographic, lifestyle, geographic for consumer markets, size, industry for business markets

*Interpret data:* quantifying size of potential market; building pen picture of typical customer, eg age, location, interests, reading and viewing habits; assessing acceptable price; assessing benefits/features important to prospective customers; assessing viability of business idea; assessing strengths and weaknesses of business idea; using findings to decide how the business is going to develop and improve what it has to offer over time; identifying strengths and limitations of own research, eg sample size; selection of sample; reliability of responses; planning a response which includes: securing ongoing customer feedback, how to respond to positive feedback and complaints

## 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 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:
<p><b>P1</b> describe the market research needs for a micro start-up business</p> <p><b>P2</b> plan market research for a start-up business</p> <p><b>P3</b> conduct primary and secondary market research for a micro start-up business [IE1/IE2]</p>	<p><b>M1</b> explain why selected methods support defined research questions</p>	
<p><b>P4</b> analyse marketing data using appropriate analytical techniques</p> <p><b>P5</b> draw conclusions from market research which include customer needs [IE4]</p> <p><b>P6</b> apply conclusions from market research in planning for ongoing success of a microbusiness.</p>	<p><b>M2</b> explain why selected analytical techniques address defined research questions</p> <p><b>M3</b> draw relevant conclusions based on accurate analysis of data.</p>	<p><b>D1</b> assess strengths and limitations of own market research.</p>

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated 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

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### Delivery

This unit takes learners through part of the process of developing a business plan, that of researching the market for the selected product or service. The delivery of this unit could be coordinated with other business planning units to maximise the benefits of the continuing theme.

The unit potentially covers a large amount of ground and the intention is that, rather than become knowledgeable about all aspects of market research, learners focus on the types of research and analysis that are useful and cost-effective for a specific micro start-up business or social enterprise.

Initially, learning could be based on case studies and simulations using a microbusiness or social enterprise environment. However, it may be more appropriate for learners to start planning market research and tackling the requirements of the assessment, thus learning through their activity.

This unit provides rich opportunities for work on mathematics, especially statistics, and on information skills. It is likely that an individual approach to learning and support may be needed for many learners.

For learning outcome 1, it is recommended that after the initial introduction to the reasons for carrying out market research, the types of research carried out and the reasons for selecting different methods, the learners spend some time studying how new entrepreneurs have conducted cost-effective market research and what was learned in the process. If there is a shortage of case study material or suitable entrepreneurs, the market research activities of the centre may be suitable. These studies could be drawn together through group discussions identifying the advantages and disadvantages of the different methods of market research used in the cases studied. Learners could then progress to planning research for their own business or social enterprise idea.

For learning outcome 2, the tutor could help learners to revisit numerical techniques previously studied in mathematics lessons through collecting data from learners and manipulating it. The need for accuracy and cautious interpretation when using numbers to make business decisions should be emphasised. It should also be emphasised that learners need to use only analysis techniques that are relevant to the research they have carried out. Quantitative statistical analyses are not required but techniques, such as simple tallying and use of percentages, should be employed to allow learners to draw valid conclusions from their research.

Many learners have problems identifying the reasons for segmentation and targeting and confuse a targeted marketing approach with sending away potential customers. Some time should be spent consolidating the use of this crucial marketing concept through analysing a range of examples of the use of segmentation and targeting.

Learners will need some practice in taking data and analysing it to produce useful and reliable conclusions. This is best done through working within an interesting simulation or business game and with learners receiving feedback and support to aid their development of the use of these methods of analysis.

Learners should ensure that they draw conclusions from the data collected. They should be encouraged to be self-critical of the validity of the data they have collected to ensure conclusions are realistic. Learners should consider what their conclusions tell them about the ongoing feasibility of the business, including the importance of ongoing customer feedback, and responding to complaints positively.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Tutor-led introduction to unit and programme of study.	0.5
Entrepreneur-led group discussion on purposes and methods of market research drawing on relevant real-life examples.	1.5
Learners research case studies about successful microbusiness market research programmes, bringing out need to have clear purpose, selection of methods and conduct of research.	4.0
Preparation and individual learning time on business plan section: <b>Planning Market Research (P1, P2, M1).</b>	10.0
Learners meet individually with an entrepreneur to discuss their proposed market research; entrepreneur acts as a consultant.	1.0
Tutor-led group exercises on numerical analytical techniques using data from case studies; learners practise in groups.	3.0
Learner group research on market segmentation taking a specific case study and undertaking internet research and location visits.	2.0
Learners in groups identify methods of segmentation for different items purchased by learners.	2.0
Learners conduct their market research.	7.0
Introduction to interpreting data followed by small group work on a simulation with a range of data – learners present results.	4.0
Tutors in groups with entrepreneur support discuss research findings and how research can be interpreted.	4.0
Individual meetings about assignment with tutor who acts as consultant.	1.0
Individual learning time and completion of Business Plan Section: <b>Market Research for the Business Plan (P3, P4, P5, P6, M2, M3, D1).</b>	10.0
<b>Total learning time hours</b>	<b>50</b>

## Assessment

As this is one of a series of units leading to the production of a business plan, an integrated approach to assessment is recommended. Work should be broken up into manageable stages. The assessment programme could be presented as a series of interlinked and coordinated assignments from which the business plan, written in *Preparing and Pitching a Business Plan*, is derived. It will be necessary to have detailed and well-maintained tracking records so as to track the achievement of individual criteria and units.

The evidence can be collected through written assignments and presentations, through the production of a visual display, or through a combination of methods. When using presentations, individual observation records should be prepared showing how each learner has achieved each criterion awarded and the supporting evidence such as the presentation materials, learners' notes and peer observations, should be retained.

For P1 and P2, learners will need to have an idea for their proposed business already. They should develop a research plan, describing relevant applicable aspects of market research, that helps them to make some of the decisions that need to be made to bring a product to market. Their research plan should include both primary and secondary research methods.

For P3, learners should carry out the planned primary and secondary market research and collect suitable records of the findings. They should use records of research methods for evidence in assessment.

For M1, learners should plan research activities that have the potential to answer the research questions identified. There should be at least two research questions, and both primary and secondary research methods should be used.

For P4, learners should use both numerical analytical techniques and marketing concepts to analyse the data. Evidence will be written records of analyses, for example collation sheets and tally charts.

For M2, learners need to show that they have selected the analytical methods that are suitable to analyse data for their research questions. At this level there is no expectation that learners will develop sophisticated research and analysis programmes, but at merit level there should be coherence between the research questions, methods of research and the methods of analysis.

For P5, learners should draw conclusions from the research which include customer needs.

For P6, learners should apply their conclusions to their microbusiness planning, focusing on how ongoing success of the business could be developed.

For M3, the conclusions drawn are based on accurate use of both numerical analysis and marketing concepts in the analysis.

For D1, learners should be able to explain strengths of their research and why the accuracy of their research may be limited and how this affects the interpretation of the results.

## Business planning preparation

The table below shows how the grading criteria are assessed through the preparation learners will undertake for their business plan.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, M1	Planning Market Research	Learners plan market research.	Learners individually develop a market research plan using their tutor or an entrepreneur as a mentor.
P3, P4, P5, P6, M2, M3, D1	Market Research for the Business Plan	Learners conduct their market research and analyse the results, draw conclusions and present their research in a way that is suitable for their business plans. This is supported through use of their tutor or entrepreneur as a mentor.	Evidence of market research methods Records of analysis of data Written application of conclusions to proposed 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 Enterprise and Entrepreneurship sector suite. This unit has particular links with:

Level 2	Level 3
Creating a Vision for your Business Plan	Market Research and Analysis
The Business Environment	Brand Development and Promotion
The Marketing Plan	
Financial Modelling and Forecasting	
Preparing and Pitching a Business Plan	

It also includes knowledge and skills from the following National Occupational Standards at level 2 in Understanding Enterprise:

- UE3 Knowing the market and satisfying customers.

### Employer engagement and vocational contexts

Learners will benefit from visiting entrepreneurs, or visits to established businesses for both learning and assessment. Much of the learning is based on studying market research that has been carried out by microbusinesses, or by using a realistic simulation.

### Indicative reading for learners

#### Textbooks

Barrow P – *The Best-Laid Business Plans* (Virgin Books, 2008) ISBN 978-075350963

Carysforth C and Neild M – *BTEC First Business Student Book 2nd Edition* (Heinemann, 2006) ISBN 978-0435499075

Ford B R et al – *The Ernst and Young Business Plan Guide* (Wiley, 2007) ISBN 978-0470112694

Jones P – *Tycoon* (Hodder and Stoughton, 2007) ISBN 978-0340952351

Mawson A – *The Social Entrepreneur, Making Communities Work* (Atlantic Books, 2008) ISBN 978-1843456610

Reuvid J – *Start Up and Run Your Own Business* (Kogan Page, 2009) ISBN 978-0749454159

#### Websites

[www.businesslink.gov.uk](http://www.businesslink.gov.uk)

Business Link

[www.sfedl.co.uk](http://www.sfedl.co.uk)

Small Firms Enterprise Development Initiative

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Independent enquirers</b>	P3 conducting primary and secondary market research for a micro start-up business (IE1/IE2)
	P5 drawing conclusions from market research which include customer needs (IE4).

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 ...
<b>Creative thinkers</b>	applying findings of market research in planning a business, when these findings don't necessarily agree with expectations
<b>Self-managers</b>	planning their market research, ensuring they use relevant and appropriate market research techniques.

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Use ICT systems</b>	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	planning market research and developing methods of collecting responses
<b>Mathematics</b>	
Select and apply a range of skills to find solutions	using appropriate analytical techniques to analyse marketing data
Use appropriate checking procedures and evaluate their effectiveness at each stage	using appropriate analytical techniques to analyse marketing data
Interpret and communicate solutions to practical problems in familiar and unfamiliar routine contexts and situations	drawing conclusions from market research
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	conducting market research, interacting with customers.

# Unit 5: The Marketing Plan

**Unit code:** R/600/0310

**Level 2:** BTEC

**Credit value:** 5

**Guided learning hours:** 30

## ● Aim and purpose

This unit aims to give learners the understanding and skills needed to develop a marketing and promotion plan for their own micro start-up business or social enterprise.

## ● Unit introduction

The marketing plan is one of the most important parts of a business plan because it directly communicates the nature of the intended business and the manner in which that business will be able to succeed.

In this unit, learners will learn about the fundamental marketing concepts that any entrepreneur needs to master.

Learners will then go on to apply this theory to their own business idea and learn how to develop a full marketing plan for a micro start-up business or social enterprise. This will include defining their target market and the benefits of their product or service from the all-important viewpoint of the prospective customer. Learners will also use the results of their marketing research to develop their marketing tactics using the marketing mix.

They then develop a practical, costed promotion plan for a micro start-up business or a social enterprise.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Understand marketing concepts used by businesses
- 2 Be able to plan marketing and promotion.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Understand marketing concepts used by businesses	P1	assess own business proposition using marketing concepts (CT3)
		P2	justify types of promotion for a micro start-up business drawing on evidence of success or failure in the marketplace
2	Be able to plan marketing and promotion	P3	plan marketing for a micro start-up business that is relevant to customer needs (SM2/SM3)
		P4	plan costed promotional activity for a micro start-up business that is appropriate for customer groups (SM2/SM3).

# Unit content

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## 1 Understand marketing concepts used by businesses

*Marketing concepts:* buyer decision-making process: Attention, Information, Decision, Action, Satisfaction; unique selling proposition (USP), eg unique mix/product, quicker, friendlier, cheaper; segmentation and targeting: defining typical customers, targeting groups of potential customers; benefits versus features from customers' point of view; marketing mix: product or service, place or distribution, price, promotion; importance of designing marketing mix to meet customers' needs; importance of coordinating all aspects of the marketing mix; importance of costing a marketing mix

*Types of promotion:* eg advertising: newspapers, radio, TV, cinema, magazines, outdoor, flyers, internet; personal selling; promotional activities, eg competitions, money-off coupons, free gifts with purchase, tasting sessions, demonstrations, fundraising; direct marketing: direct mail; catalogue shopping, internet shopping; sponsorship; public relations: press releases, press conferences, promotion through networking; cost-effectiveness of method and plan

*Evidence of success or failure in the marketplace:* business marketing campaigns that have worked and those that have failed and the reasons why

## 2 Be able to plan marketing and promotion

*Sections in marketing plan:* market definition and opportunity: proposed target market segments, demand for product/service; competition; other external influences, eg trends, legislation; marketing tactics: use of marketing mix, image; marketing research: method, scale, findings, conclusions; sales forecasts, support material, eg industry studies, letters of support; how success of marketing will be measured

*Promotion plan:* coordination with rest of marketing mix; image to be developed; costs; schedule for proposed promotion campaign; type of promotional materials appropriate for the customer group, eg poster, leaflet, advertisement, website; nature of the promotional materials, eg colours, visual features, text; name of the product/service and company; branding or logo, website design and functionality; reasons why promotional material is appropriate for the customer group; how success of promotions will be measured

## 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 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:
<p><b>P1</b> assess own business proposition using marketing concepts [CT3]</p> <p><b>P2</b> justify types of promotion for a micro start-up business drawing on evidence of success or failure in the marketplace</p>		
<p><b>P3</b> plan marketing for a micro start-up business that is relevant to customer needs [SM2/SM3]</p> <p><b>P4</b> plan costed promotional activity for a micro start-up business that is appropriate for customer groups [SM2/SM3].</p>	<p><b>M1</b> explain how marketing principles have been used to develop a marketing mix for a micro start-up business</p> <p><b>M2</b> produce a cost-effective promotion plan that communicates consistent messages to prospective customers.</p>	<p><b>DI</b> develop a cost-effective coordinated marketing mix and promotion plan to meet the needs of a defined target market.</p>

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated effective application of the referenced elements of the skills.

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

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## Delivery

Although this unit could be taken as a stand-alone unit it has been written to form one of a series of units which take learners through the whole process from generating a business idea to pitching a business plan. It is, therefore, important that the delivery of the units is coordinated to maximise the benefits of the continuing theme.

When planning learning outcome 1, tutors will need to be aware that although learners may be familiar with promotion campaigns, the theoretical concepts can be quite challenging at this level. It is recommended that the learning programme includes plenty of opportunities to explore how concepts such as the marketing mix have been used in a range of contexts of interest to learners. Visiting speakers, including marketing professionals in an industry such as mobile telephony, would be of interest to learners. It would also be beneficial for learners to see how micro start-up businesses and social enterprises have used marketing concepts.

Whilst material and examples can be drawn from the range of successful promotional campaigns that surround all potential consumers in the developed world, there is much to be learned from flawed campaigns and it is suggested that the learners carry out an analysis of some examples of a poorly designed marketing mix.

Learning outcome 2 is about planning marketing and promotion. Once learners are clear about what is required, much of the learning for this outcome will be through working on their own marketing plans and promotion plans. Learners could work in workshops with support as needed, available from the tutor or from business mentors. Learners should focus on the needs of their customers and ensure that promotions are tailored to customer groups and fully costed.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Tutor-led introduction to unit and learning programme.	1.0
Tutor-led discussion on AIDA model – group discussion on relevance to model for different types of purchases drawing on learners' own experiences as customers.	3.0
Learner pairwork on identifying benefits and segmentation and targeting for recent purchases made by learners.	2.0
Learners in groups consider how marketing concepts apply to their own product or service and the customers they intend to attract.	3.0
Entrepreneur introduction followed by group discussion on the marketing mix using examples from real businesses.	3.0
Small groupwork research into cases of poorly integrated marketing mix – groups suggest how these could be improved.	4.0
Learners work on how these concepts apply to their own planned businesses (can be used for assignment).	3.0
Tutor-led introduction to promotion mix and analysis of promotion for one product of interest to learners.	2.0
Learner group discussion on marketing plan and how this could be used to plan for a micro start-up business or social enterprise, learners consult with entrepreneurs on how marketing may be applied for their enterprise.	4.0
Entrepreneur introduction to promotion followed by small group activity designing promotion campaign for a proposed event to be held in the learning context.	4.0
Learners work in groups in a workshop environment to develop their marketing and promotion plan. There should be access to tutor support, and also support from visiting marketing professionals and entrepreneurs. There should also be opportunity for peer review of draft plans.	12.0
Classwork and individual learning time on completion of: <b>Marketing and Promotion Plan (P1, P2, P3, P4, M1, M2, D1).</b>	9.0
<b>Total learning time hours</b>	<b>50</b>

## Assessment

This unit is one of a series that supports development of a business plan for a micro start-up business. Assessment work should be based on producing a marketing plan and a promotion plan for learners' planned start-up businesses. Learners will be drawing on assessment work from previous units in the series. It is recommended that tutors break down the work for learners, for example by taking in different parts of the marketing plan and providing feedback before the learners go on to develop their promotion plan.

The criteria relating to the first learning outcome are about applying theory and these should be assessed through development and justification within the marketing and promotion plan. Alternatively, learners could develop their marketing and promotion plan but orally present their reasons for choices and the link to theory.

For P1, learners should produce evidence of the application of marketing concepts listed in the content of the unit within the context of their microbusiness or social enterprise. Learners could use the concepts to frame the plan.

For P2, learners should choose types of promotion listed in the content and the choices should be justified within the context of the business plan.

For P3, learners should produce a marketing plan for a micro start-up business using sections as given or similar to those listed in the content.

For M1, the learners should explain how they have used marketing concepts to develop their marketing mix. Learners are not expected to explain fully how all the concepts have been used and if they are able to explain how two of the marketing concepts have been used then the criterion is satisfied.

P4 requires learners to produce a promotion plan for their own business. This should follow on from the marketing plan and it should include choice of media relevant to customer groups, the development of sample promotional materials, timings and costings for the micro start-up business.

For M2, the promotion plan should be sufficiently developed to be capable of being implemented and all parts of the plan should coordinate with other parts, for example leaflets, language and chosen media all likely to appeal to targeted customer group.

For D1, each aspect of the marketing mix and promotion plan will complement all other aspects and has been designed to appeal to a defined group of potential customers. The plan will include a description of the attributes and needs of this target group.

## Business planning preparation

The table below shows how the grading criteria are assessed through the preparation learners will undertake for their business plan.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, P3, P4, M1, M2, D1	Marketing and Promotion Plan	Learners develop marketing and promotion plans for their own planned microbusinesses or social enterprises.	Written and costed marketing and promotion plan drawing on marketing theory and specific to customer needs.

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

This unit forms part of the BTEC Enterprise and Entrepreneurship sector suite. This unit has particular links with the following.

Level 2	Level 3
Creating a Vision for your Business Plan	Business Planning and Pitching
The Business Environment	
Researching the Market	
Financial Modelling and Forecasting	
Preparing and Pitching a Business Plan	

It also includes knowledge and skills from the following National Occupational Standards at level 2 in Understanding Enterprise:

- UE3 Knowing the market and satisfying customers.

## Employer engagement and vocational contexts

Learners will benefit from the use of visiting entrepreneurs or visits to established businesses for both learning and assessment. Much of the learning is based on studying marketing that has been carried out by microbusinesses, or by using a realistic simulation.

### Indicative reading for learners

#### Textbooks

Barrow P – *The Best-Laid Business Plans* (Virgin Books, 2005) ISBN 978-0753509630

Carysforth C and Neild M – *BTEC First Business Student Book, 2nd Edition* (Heinemann, 2006) ISBN 978-0435499075

Ford, B, Bornstein J, and Pruitt P – *The Ernst and Young Business Plan Guide* (Wiley, 2007) ISBN 978-0470112694

Jones P – *Tycoon* (Hodder and Stoughton, 2007) ISBN 978-0340952351

Reuvid J – *Start Up and Run Your Own Business* (Kogan Page, 2009) ISBN 978-0749454159

#### Websites

<a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a>	Business Link
<a href="http://www.peterjones.tv">www.peterjones.tv</a>	Peter Jones TV
<a href="http://www.sfedl.co.uk">www.sfedl.co.uk</a>	Small Firms Enterprise Development Initiative
<a href="http://www.socialenterprise.org.uk">www.socialenterprise.org.uk</a>	Social Enterprise Coalition

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Creative thinkers</b>	P1 applying marketing concepts to a micro start-up business (CT3)
<b>Self-managers</b>	P3 planning marketing for a micro start-up business that is relevant to customer needs (SM2/SM3)
	P4 planning promotional activity for a micro start-up business that is appropriate for customer groups (SM2/SM3).

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 ...
<b>Reflective learners</b>	applying marketing concepts to their business ideas and reconsidering previously held assumptions (RL1/RL3) presenting on the concepts that support their marketing plans or producing plans with development that refers to concepts (RL6)
<b>Effective participators</b>	working in a workshop environment, discussing plans with tutors, peers and experienced entrepreneurs (EP1).

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Use ICT systems</b>	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	producing their marketing and promotion plans
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	producing their marketing and promotion plans
<b>ICT – Develop, present and communicate information</b>	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> <li>• text and tables</li> <li>• images</li> <li>• numbers</li> <li>• records</li> </ul>	producing their marketing and promotion plans
<b>English</b>	
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	applying marketing concepts to their micro start-up business.

# Unit 6: Financial Modelling and Forecasting

**Unit code:** Y/600/0308

**Level 2:** BTEC

**Credit value:** 5

**Guided learning hours:** 30

## ● Aim and purpose

The aim of this unit is to provide learners with the essential knowledge and skills to enable them to develop a robust financial model to fit with the aims of their microbusiness.

## ● Unit introduction

If there is no money there is no business. Anyone setting up a business must plan to both finance the start-up and manage all revenue and expenditure on an ongoing basis. In addition, a business must maintain satisfactory records of all financial transactions.

Cash flow is a central feature of this unit. The importance of cash flow is often underestimated, yet many businesses fail simply because of cash-flow problems.

This unit covers the fundamental financial knowledge and skills which an entrepreneur needs before starting a business. Firstly, learners will learn essential financial terminology so that they can use business planning software and interpret the results. They will then go on to learn about different sources of finance and select the most appropriate for their business plan. They will learn how changes to pricing, sales levels or costs impact upon the financial performance of a microbusiness.

Next, learners will learn how to develop a robust financial model which is supported by estimated business finances and outputs from relevant business planning software. Finally, learners will produce a costed supply chain looking at the resources required for their microbusiness.

The overall approach is on a practical 'need to know' basis and the outcome of this unit will contribute to learners' own fully-developed business plans.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Be able to use terminology used for financial planning
- 2 Know about sources of finance
- 3 Be able to produce a robust financial model for a microbusiness
- 4 Be able to develop a costed supply chain.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Be able to use terminology used for financial planning	P1	use financial terms accurately in preparing a micro start-up business plan
2	Know about sources of finance	P2	describe suitable sources of finance for a micro start-up business
3	Be able to produce a robust financial model for a microbusiness	P3	input data accurately using business planning software for a micro start-up business
		P4	estimate the financial implications for the business model of a micro start-up business (IE4)
		P5	produce a robust financial model for a micro start-up business
		P6	describe how the success of the business will be measured
4	Be able to develop a costed supply chain	P7	describe the tools and resources needed for the business
		P8	describe how tools and resources will be obtained
		P9	develop a costed supply chain for your selected product or service.

# Unit content

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## 1 Be able to use terminology used for financial planning

*Costs:* start-up costs, ROI, operating costs: fixed, variable; understanding prices: discounts, VAT

*Revenue:* sales, interest etc

*Profit calculations:* gross profit, net profit; simple profit and loss statements

*Cash inflows:* capital, sales, loans, timing of inflows

*Cash outflows:* purchases, loan repayments, wages, rent, advertising, timing of outflows

*Projected cash flow:* purpose of having projected cash flow: determine working capital requirements, make business decisions; use of projected cash-flow software; interpretation of results

*Record keeping:* sales; purchases; balance sheet; banking transactions; VAT returns; VAT threshold; storing and ordering of original documents; payroll records; sources of support: BusinessLink, accountants

## 2 Know about sources of finance

*Sources of finance:* eg relevant sources from own savings; loans from family; bank loans; loans from charitable trusts; business angels; venture capitalists; credit card; leasing instead of buying, purchasing on credit; for social enterprises: grants, public funding, donations

*Advantages and disadvantages of each source:* eg costs; limits on freedom

## 3 Be able to produce a robust financial model for a microbusiness

*Business planning software:* use of appropriate spreadsheets and packages

*Inputting data:* revenue, stocks, making estimates: sales, costs

*Financial implications:* balance sheet; profit and loss accounts; projected cash flow; break-even charts; identifying favourable results; action to remedy unfavourable results: impact of pricing decisions, sales levels, costs etc on financial performance

*Estimating:* viability, contributing factors, requirement to update as situation changes

*Financial model:* projected balance sheet, profit and loss accounts, break even and projected cash flows

*Success:* eg financial measures, sales measures, customer satisfaction

## 4 Be able to develop a costed supply chain

*Resources:* variable assets eg product consumables

*Tools:* fixed assets eg: ICT systems, product development; transport

*Supply chain:* definition; simple diagrammatic representation (buying, making, moving, selling)

*Purchasing:* factors to be taken into consideration when selecting suppliers: quality; accessibility; prices; price limit when negotiating; service and support for customers; quantities; delivery arrangements; reliability; credit terms; ethical considerations; purchasing process: order; delivery; lead time; payment

*Benefits of well-planned supply chain:* reliability of supply; lower stock levels with reduced costs; understanding of risks to supply; building of long-term relationships with suppliers to continuously improve working of supply chain, workable cash flow

## 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 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:
<b>P1</b> use financial terms accurately in preparing a micro start-up business plan		
<b>P2</b> describe suitable sources of finance for a micro start-up business	<b>M1</b> explain the advantages and disadvantages of different sources of funding	
<b>P3</b> input data accurately using business planning software for a micro start-up business <b>P4</b> estimate the financial implications for the business model of a micro start-up business [IE4] <b>P5</b> produce a robust financial model for a micro start-up business <b>P6</b> describe how the success of the business will be measured	<b>M2</b> explain how a business plan can be adjusted to improve financial statements	<b>D1</b> assess the future financial viability of a planned start-up business for the forthcoming year <b>D2</b> demonstrate an iterative planning loop in aiming at the optimum financial model.
<b>P7</b> describe the tools and resources needed for the business <b>P8</b> describe how tools and resources will be obtained <b>P9</b> develop a costed supply chain for your selected product or service.	<b>M3</b> explain why the supply chain is relevant to your business model.	

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated 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

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## Delivery

This unit takes the learner through part of the process of developing a business plan, that of developing the financial plan. The delivery of this unit could be coordinated with other business planning units to maximise the benefits of the continuing theme.

As the purpose of the unit is to give learners sufficient understanding of business finance to be able to plan a micro start-up business or social enterprise, the emphasis is on understanding the terminology and being able to use and understand the outputs from business planning software designed for microbusinesses. Entrepreneurs may employ professional help to manage their accounts, but they may also manage their own finances. It is important for learners to know enough to avoid running into administrative, legal or financial difficulties.

Learning outcome 1 introduces learners to the two basic aspects of finance that any entrepreneur must actively manage, namely profitability and cash flow. Although the assessment is based on using terms accurately and being able to use business planning software, the learning will include undertaking calculations. Learners will need to learn how to calculate the cost of items priced in different ways, be able to identify when they need to add VAT and how discounts work. Learners would benefit from practising simple calculations relating to their own business proposals to enable them to understand the different aspects of terminology, as well as practising the calculations themselves.

Learners should be introduced to using a projected cash flow. Examples of a personal cash flow could be used in the initial stages before going on to use one for micro start-up business scenarios. The importance of managing both profitability and cash flow should be emphasised, and there should be emphasis on the different priorities of a social enterprise, should such examples be used.

For learning outcome 2, learners should go through the main sources of finance for micro start-up businesses and explore the advantages and disadvantages of each. Talking with one or more entrepreneurs who could describe their own experience of obtaining funding may help to bring the subject to life.

Learning outcome 3 is about understanding enough about the finance of a microbusiness to be able to develop a robust financial model. Learners will enter data into business planning software, understand the outputs in terms of balance sheets, profit and loss accounts, break-even charts and projected cash flows and recognise whether the outputs are favourable or unfavourable. Learners should practise manipulating the inputs so that they can create desired changes to their profitability or cash flow. Learners should use the results from financial planning, and learning on sources of finance and supply chain, in developing their financial model. Learners should aim to reconsider their financial model as they gain more information; this iterative process is in itself important in business planning. Thereafter, learners need to decide how success will be measured in the business. Measures may not always be financial so learners should consider other important indicators that will contribute to long-term success – should this be their vision for the business.

For learning outcome 4, learners need to identify the tool requirements of their business. Tools will include ICT system requirements as well as more obvious manufacturing requirements, should learners be producing a product. In investigating the supply chain they could investigate the supply chain for a business that relates to their proposed microbusiness or social enterprise. Learners can then identify the issues to be taken into account when deciding on suppliers and consider how important it is that a good reliable supply chain is set up. A visit to a microbusiness or social enterprise to see how stocks are controlled and what records are kept would help to bring this topic to life. Alternatively, it may be relevant to see how the stocks for a small part of the school or college are kept and how the records are maintained. Learners may focus on a service rather than a product. If so, the content should be contextualised accordingly.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Tutor-led introduction to unit and programme of learning.	0.5
Entrepreneur-led question and answer session on the benefits of financial planning.	2.0
Learners in groups work on profit calculations and simple profit and loss statements and break-even calculations exercises based on case study microbusinesses and social enterprises.	4.0
Introduction to sources of finance – visit from small-scale entrepreneur or business mentor to discuss experiences of financing a start-up business or social enterprise, learners in groups research other businesses or social enterprises to understand different types of financing.	3.0
Introduction to cash-flow management – learners develop projected personal cash flow using spreadsheet and go on to consider a small business cash flow. Learners work initially with case study examples before progressing to work with their own proposed businesses.	4.0
Introduction to financial modelling. Learners consider how various financial tools can be used holistically to develop a financial model.	3.0
Learners in groups work on balance sheet analysis for their small businesses. Learners develop estimates for cash potential. Case study examples should be from the same case studies as used throughout the programme.	4.0
Learners undertake a business game or simulation with profit calculations and external factors affecting cash flows.	3.0
Tutor demonstrates use of software to check and modify business plans to enhance profitability and safeguard cash flow.	2.0
Learners use software to develop financial plans for their own planned businesses. Learners use software results to contribute to design of the financial model.	4.0
Learners decide how success will be measured in their own businesses.	2.0
Entrepreneur group-led discussion on what is needed in business and supply chains, and how they work in different business models, learners discuss negotiation in sales and purchasing, including price limits.	4.0
Learners work with entrepreneur mentors in developing financial plans including supply chain for their business plans.	5.0
Independent learning time on assignment: <b>The Financial Plan (P1, P2, P3, P4, P5, P6, P7, P8, P9, M1, M2, M3, D1, D2).</b>	10.0
Feedback and guidance.	1.5
<b>Total learning time hours</b>	<b>50</b>

## Assessment

As this is one of a series of units leading to the production of a business plan, an integrated approach to assessment is recommended. Work should be broken up into manageable stages for the learners. The assessment programme could be presented as a series of interlinked and coordinated assignments from which the business plan, written in *Preparing and Pitching a Business Plan*, is derived. It will be necessary to have detailed and well-maintained tracking records so as to track the achievement of individual criteria and units.

For P1, learners should produce evidence of the accurate use of terms throughout the financial plan. For P2, learners should describe the sources of finance they intend to use for their own planned business. More than one source should be selected and learners should state a valid reason for their choice.

For M1, learners should have considered all sources listed in the content and explained the advantages and disadvantages of each for their own business plans. Generic advantages and disadvantages that have not been applied to the specific business, would not satisfy this criterion.

For P3, learners should use business planning software, consisting of spreadsheets set up for profit and loss, projected cash flow, balance sheets and break-even charts. To achieve P3, learners should enter realistic data in the correct places.

For P4, learners need to interpret financial outputs from software in estimating financial implications. Estimates should also draw on sources of finance and supply chain issues. Learners need to discriminate between favourable and unfavourable results for all of the above documents. P5 requires learners to produce a robust financial model for their business. The model should be realistic, grounded in the context in which they seek to develop the business, with identifiable sources of initial and start-up finance.

P6 requires learners to describe how success will be measured. Learners will naturally focus on financial measures, but should also include other indicators that may impact on the sustainability of a business such as customer satisfaction, and sales forecasts.

P7 requires learners to describe tools and resources required for the business and (P8) how these will be obtained. ICT systems are considered as tools, and it is envisaged that learners planning service businesses will have some requirement for such support. Tools are considered to be fixed costs whilst resources are considered to be variable costs.

For P9, learners should integrate details of a costed supply chain into their financial plan. For M3, they should include the reasons why the components of the supply chain were chosen and why they suited the needs of the selected business.

For M2, learners should know how to make changes to the business plan so that the financial forecasts become more favourable. If there is no identifiable scope for making these improvements to the business plan, then the learner or the tutor should hypothesise unfavourable external factors and the learner should show the impact these would have on the finances of the business and then propose actions to stay in business.

For D1, learners should assess the viability of the business over a period of at least one year. This should include consideration of at least three likely contingencies such as lower than anticipated sales, an increase in costs and seasonal differences in demand.

For D2, learners need to show that they think reflectively, ensuring that changes in planning are reflected in revisions to the financial model.

## Business planning preparation

The table below shows how the grading criteria are assessed through the preparation learners will undertake for their business plan.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, P3, P4, P5, P6, P7, P8, P9, M1, M2, M3, D1, D2	The Financial Plan	Learners complete and present the financial and resources preparation for their planned start-up businesses.	Evidence including outputs from business planning software, analysis of implications of outputs within a financial model and a costed supply chain.

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

This unit forms part of the BTEC Enterprise and Entrepreneurship sector suite. This unit has particular links with the following units.

Level 2	Level 3
Creating a Vision for your Business Plan	Financial Planning and Implementation
The Business Environment	
Researching the Market	
The Marketing Plan	
Preparing and Pitching a Business Plan	

The unit also includes knowledge and skills from the following National Occupational Standards at level 2 in Understanding Enterprise:

- UE6 Planning for success
- UE7 Managing money matters.

### Essential resources

Business planning software with spreadsheets for profit and loss statements, balance sheets, projected cash flow and break-even charts. Business Plan-Pro is one example of software that could be used. Centres could develop their own spreadsheets for learners to use if preferred.

### Employer engagement and vocational contexts

Learners will benefit from the use of visiting entrepreneurs, or visits to established businesses for both learning and assessment.

### Indicative reading for learners

#### Textbooks

Barrow P – *The Best-Laid Business Plans* (Virgin Books, 2005) ISBN 978-075350963

Carysforth C and Neild M – *BTEC First Business Student Book, 2nd Edition* (Heinemann, 2006) ISBN 978-0435499075

Jones P – *Tycoon* (Hodder and Stoughton, 2007) ISBN 978-0340952351

Reuvid J – *Start Up and Run Your Own Business* (Kogan Page, 2009) ISBN 978-0749454159

#### Websites

[www.businesslink.gov.uk](http://www.businesslink.gov.uk) Business Link

[www.sfedl.co.uk](http://www.sfedl.co.uk) Small Firms Enterprise Development Initiative

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Independent enquirers</b>	P4 estimating the financial implications for the business model of a micro start-up business (IE4).

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 ...
<b>Independent enquirers</b>	finding out about suitable sources of finance for their micro start-up business (IE1)
<b>Reflective learners</b>	setting goals through planning finances of a microbusiness (RL2)
<b>Self-managers</b>	organising their time in the development of the financial aspect of the business plan (SM3) responding positively to anticipated future financial problems (SM7).

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Use ICT systems</b>	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	inputting data accurately using business planning software
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	inputting data accurately using business planning software
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	inputting data accurately using business planning software
<b>ICT – Develop, present and communicate information</b>	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> <li>• text and tables</li> <li>• images</li> <li>• numbers</li> <li>• records</li> </ul>	inputting data accurately using business planning software
Bring together information to suit content and purpose	interpreting outputs in the form of financial statements when using business planning software
Present information in ways that are fit for purpose and audience	interpreting outputs in the form of financial statements when using business planning software
Evaluate the selection and use of ICT tools and facilities used to present information	interpreting outputs in the form of financial statements when using business planning software
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	inputting data accurately using business planning software interpreting outputs in the form of financial statements when using business planning software

Skill	When learners are ...
<b>Mathematics</b>	
Understand routine and non-routine problems in a wide range of familiar and unfamiliar contexts and situations	interpreting outputs in the form of financial statements when using business planning software developing a costed supply chain for their product or service
Identify the situation or problem and the mathematical methods needed to tackle it	interpreting outputs in the form of financial statements when using business planning software developing a costed supply chain for their product or service
Select and apply a range of skills to find solutions	interpreting outputs in the form of financial statements when using business planning software developing a costed supply chain for their product or service
Use appropriate checking procedures and evaluate their effectiveness at each stage	interpreting outputs in the form of financial statements when using business planning software developing a costed supply chain for their product or service
Interpret and communicate solutions to practical problems in familiar and unfamiliar routine contexts and situations	interpreting outputs in the form of financial statements when using business planning software developing a costed supply chain for their product or service
Draw conclusions and provide mathematical justifications	interpreting outputs in the form of financial statements when using business planning software developing a costed supply chain for their product or service
<b>English</b>	
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	using financial terms accurately in a micro start-up business plan.



# Unit 7: Preparing and Pitching a Business Plan

**Unit code:** J/600/0305

**Level 2:** BTEC

**Credit value:** 5

**Guided learning hours:** 30

## ● Aim and purpose

The aim of this unit is to enable learners to draw together all aspects of a business plan and to pitch the plan in a professional manner and for an identified purpose.

## ● Unit introduction

Setting up a microbusiness is complicated and the risk of making mistakes is high. By preparing for a plan, reflecting on it and seeking the opinions of experienced outsiders, a prospective entrepreneur can eliminate many mistakes during the planning stage. A business plan is often presented to investors and others who do not have much time to scrutinise a substantial document, but at the same time need access to important information. This unit therefore enables learners to develop a concise plan which contains the important and relevant information needed by a potential investor. Learners should be conscious of the difference between a presented business plan, and the substantial plan that will underpin the operation of their business and which could be drawn from evidence produced for the first six units in this qualification.

In their presented plan, learners will focus on the way the plan is presented, as well as its content, in order to enable them to learn of the need for maximum effectiveness of presentation.

Learners will learn how to design and deliver a convincing and professional oral/visual presentation of their business plan which caters to the needs and requirements of their audience and draws on a range of presentation skills. Part of this process will be to accept feedback from others, using this in a review of the plan.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Be able to develop a business plan for a micro start-up business
- 2 Be able to pitch a business plan
- 3 Be able to review a business plan
- 4 Be able to construct a viable project plan to bring a product to market.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria
		To achieve each outcome a learner must demonstrate the ability to:
1	Be able to develop a business plan for a micro start-up business	P1 produce a structured business plan that contains an analysis of risks and sufficient information for a funding decision (SM2)
2	Be able to pitch a business plan	P2 pitch a business plan to a potential sponsor (EP1)
3	Be able to review a business plan	P3 review own business plan drawing on views of others P4 make recommendations for improvement of own plans
4	Be able to construct a viable project plan to bring a product to market	P5 plan to bring a product to market (SM2).

# Unit content

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## 1 Be able to develop a business plan for a micro start-up business

*Structure:* title, executive summary paragraph, the business vision/concept, the product/service, the impact of the business environment, summary of market research: customer base; competitors; risks; the marketing plan: routes to market, promotion; summary of the financial plan: finance, funding; acknowledgements, appendices

*Business plan document presentation:* cover, binding or loose-leaf file, consistent use of fonts, headings and page numbering, professional image, appendices

## 2 Be able to pitch a business plan

*Business plan:* as in 'structure' above

*Pitching skills:* personal presentation to portray desired image: dress, professional manner; structure of presentation eg introduction, logical structure of content, conclusions, questions, courteous closure; use and value of visual aids: clarity, impact, use of graphics, legibility of text; consideration of needs and interests of audience; pace of oral presentation; body language: eye contact, position, gestures; voice projection; variation in tone; use of notes

*Sponsor:* eg bank manager, investor, supplier, business partner, donator

## 3 Be able to review a business plan

*Review:* feedback from eg sponsor, networks, sources of advice and guidance, friends and family; changes in own perspective

*Negotiation:* identification of expected questions: robustness of evidence; own skills and expertise; security of supply; assumptions behind sales forecasts and return on investment calculations; capacity to meet high demand etc.; techniques for handling challenging questions; having a bottom line for sponsorship proposals

*Improvements:* solutions to problems indicated in review, own changes

## 4 Be able to construct a viable project plan to bring a product to market

*Schedule of tasks to bring product/service to market:* task list; allocation of tasks; deadlines; prioritising; identifying 'dependencies', time schedule; monitoring achievement of tasks

## 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 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:
<b>P1</b> produce a structured business plan that contains an analysis of risks and sufficient information for a funding decision [SM2]	<b>M1</b> produce a structured and integrated business plan that contains an analysis of risks and sufficient information for a funding decision	<b>D1</b> produce a structured, integrated and innovative business plan that contains an analysis of risks and sufficient information for a funding decision
<b>P2</b> pitch a business plan to a potential sponsor [EP1]	<b>M2</b> deliver a clear and well-structured presentation for a business plan.	<b>D2</b> deliver a convincing presentation for a business plan.
<b>P3</b> review own business plan drawing on views of others		
<b>P4</b> make recommendations for improvement of own plans		
<b>P5</b> plan to bring a product to market [SM2].		

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated 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

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## Delivery

This unit takes the learner through the process of developing and presenting a business plan and developing a project plan to bring the product to market. The delivery of this unit should be coordinated with other mandatory units in the Level 2 BTECs in Enterprise and Entrepreneurship to maximise the benefits of the continuing theme. It is recommended that learners are introduced to the concept of the business plan at the beginning of the course so that they are aware of the eventual objective in this unit.

Learners will have researched most of the evidence for their business plan for learning outcome 1 whilst working through previous units, and thus the emphasis will be on collating their evidence and presenting the various pieces of work as a coherent, concise and professional-looking document. Learners should be conscious of the different needs of a business plan that is presented to a potential sponsor and the requirements for a plan that will support business operation. Their presented plan will be a summary of more extensive planning undertaken for the first six units in the qualification.

Examining good examples of a range of business plans and identifying what makes them look professional will help to inspire learners. Such examples will emphasise how important it is to develop a concise plan for a sponsor that contains all necessary information in the minimum space. As a rule of thumb, presented business plans should not exceed three pages of A4.

Learning outcome 2 is about pitching skills. Ideally, learners' presentation skills will have been developed progressively during the whole programme, starting with simple informal presentations and going on to more formal situations which use a range of visual aids. Learners could view presentations made by participants seeking funding for their prospective businesses on television programmes and identify the strengths and weaknesses of each presentation before going on to practise with simple topics. A camcorder could be used to help the learners to develop their skills through role play and peer/tutor review. Learners would benefit from an exemplar presentation from an entrepreneur experienced in presenting business cases.

Learners should recognise the range of reasons that a presentation of a business case might be necessary. It could be to obtain finance or funding from potential investors, to obtain permission to develop if there is an ethical concern, or to gain support from directors for a development within a larger business. Learners developing social enterprises should appreciate the different priorities of the audience for a presentation. Ideally the sponsor will be someone who is involved in financing new businesses; however, the role of the sponsor who listens to the pitches could be undertaken by an entrepreneur or a tutor.

Learning outcome 3 requires learners to review their proposal drawing on feedback from their pitch and from those who may have read the business plan. Learners could help one another through giving peer feedback on presentations, but it is important for learners to have input from an outside party, preferably someone who invests in new businesses in some capacity. Learners should consider the feedback, negotiating their position with peers and sponsor, and make recommendations for improvement of their business plan.

For learning outcome 4, learners could meet with an entrepreneur who has already brought a product to market. Learners could collectively plan and hold an event such as an open evening which mirrors many of the activities required to bring a product to market. Learners need to learn to estimate the time that activities will take, prioritise and identify dependencies.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Tutor-led introduction to unit and programme of study.	0.5
Entrepreneur-led question and answer session on the value of a business plan and how this assists the development of a new business.	2.0
Learners in groups read case study business plans and identify areas for improvement and development; learners could work in small groups with entrepreneurs to assess plans.	3.0
Learner group brainstorm on the essential features of a business plan, tutor collates detail and corrects. Group generates a business plan template.	3.0
Workshop on presentation style of written business plan – examination of examples and group discussion of benefits of various types of presentation style.	2.0
Learners update presentation of business plans.	4.0
Learners watch an example presentation of a business idea – possibly from an experienced entrepreneur – followed by a question and answer session on the benefits and drawbacks of the presentation.	1.5
Group discussion of personal presentation and ways to prepare for a presentation.	2.0
Learners in small groups practise presentation skills with 'easy' topics using camcorders, peer and tutor review and feedback.	4.0
Assignment: <b>Presenting the Business Plan (P2, M2, D2).</b>	10.0
Learners present to each other and form a question and answer audience. The presence of a sponsor is required for the pitches and subsequent review session.	
Planning to bring a product to market – visit from an entrepreneur to hear what is involved.	3.0
Learners work in groups and then independently on a plan to bring a product to market.	5.0
Tutorial support and feedback on plans to bring a product to market.	2.0
Assignment: <b>Developing the Business Plan and Project Plan to Bring the Product to Market (P1, P3, P4, P5, M1, D1).</b> Learner-initiated private study drawing on work produced for own business ideas, collating this into a business plan format including annotated changes resulting from pitch feedback.	8.0
<b>Total learning time hours</b>	<b>50</b>

## Assessment

The following strategy assumes that learners have already completed a considerable amount of preparation work towards developing their business plans when completing mandatory units in the Level 2 BTEC Enterprise and Entrepreneurship qualifications.

For P1, learners should create a business plan with sections organised in order. The plan sections should be logically presented, with sufficient information on risks and for a funding decision to be made.

For M1, the business plan should be complete in all sections and the document should follow business conventions regarding layout and use of business English. The plan should be coherent and the sections should clearly relate to each other. There will be evidence that the plan has been well thought through, as all evidence should be relevant and should add to the logic of the plan.

For D1, the details in the different sections of the plan should flow through from one section to another, so that the whole proposition is accurately, clearly and coherently expressed. The plan will be innovatively conceived in the sense that there are creative solutions to identifiable problems.

For P2, learners should deliver a presentation that includes the main points of the business plan that they will have developed from working through previous units. Learners should draw on a relevant range of presentation skills. Learners are required to present to a sponsor who could potentially invest in the vision. Centres should ensure that the sponsor inputs into the assessment of this criterion. Learners could present to an entrepreneur, who might consider investing, or to a guest bank manager.

P3 and P4 require learners to review their proposal and to make recommendations for changes. Learners could engage in a review session following their pitch, with a sponsor and others, and collate feedback on possible changes. Learners should annotate changes on their business plan or provide a summary of where changes have been made as evidence of review.

For M2, the presentation should be logically structured and the audience should find it easy to follow.

For D2, the presentation should be convincing. This could be achieved either through the use of good presentation skills or through detailed preparation leading to the ability to answer questions in a convincing way. The plan presented should be robust and coherent.

For P3, learners should produce a plan that structures most of the activities needed to bring a product to market including a list of activities with deadlines. This could be integrated into the business plan as a statement of strategic actions to bring a product to market.

### 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
P2, M2, D2	Presenting the Business Plan	Learners present their plans in a realistic setting.	Learners' evidence could be from witness testimony and video recording.
P1, P3, P4, P5, M1, D1	Developing the Business Plan and Project Plan to Bring the Product to Market	Learners collate and augment their evidence from business planning units to develop a business plan.	Each learner prepares a written business plan. Learners annotate their plan with proposed changes acting on feedback.

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

This unit forms part of the BTEC Enterprise and Entrepreneurship sector suite. This unit has particular links with the following:

Level 2	Level 3
Creating a Vision for your Business Plan	Business Planning and Pitching
The Business Environment	
Researching the Market	
The Marketing Plan	
Financial Modelling and Forecasting	

It also includes knowledge and skills from the following National Occupational Standards at level 2 in Understanding Enterprise:

- UE1 Choosing your business enterprise
- UE2 Identifying and managing opportunities and risks
- UE4 Making successful deals.

### Essential resources

Learners will need facilities for role play and systems for making real purchases for their businesses. They will need materials and equipment for putting together professional-looking reports and also for preparing and giving oral presentations.

### Employer engagement and vocational contexts

Links with entrepreneurs will be essential in ensuring learners understand the value of a business plan. Entrepreneurs could support the development of presentation skills through delivery of a sample presentation and by mentoring learners through their own presentation practice.

### Indicative reading for learners

#### Textbooks

Barrow P – *The Best-Laid Business Plans* (Virgin Books, 2005) ISBN 978-0753509630

Carysforth C and Neild M – *BTEC First Business Student Book, 2nd Edition* (Heineman, 2006) ISBN 978-0435499075

Jones P – *Tycoon* (Hodder and Stoughton, 2007) ISBN 978-0340952351

Reuvid J – *Start Up and Run Your Own Business* (Kogan Page, 2009) ISBN 978-0749454159

#### Websites

[www.businesslink.gov.uk](http://www.businesslink.gov.uk) Business Link

[www.peterjones.tv](http://www.peterjones.tv) Peter Jones TV

[www.sfedl.co.uk](http://www.sfedl.co.uk) Small Firms Enterprise Development Initiative

[www.socialenterprise.org.uk](http://www.socialenterprise.org.uk) Social Enterprise Coalition

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Self-managers</b>	P1 producing a structured business plan that contains an analysis of risks and sufficient information for a funding decision (SM2) P5 planning to bring a product to market (SM2)
<b>Effective participators</b>	P2 pitching a business plan to a potential sponsor (EP1).

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 ...
<b>Creative thinkers</b>	developing a business plan that is integrated and responds to market needs (CT3)
<b>Reflective learners</b>	developing a business plan that is integrated and responds to market needs (RL2/RL3)
<b>Team workers</b>	responding to feedback from peers, tutor and entrepreneurs following the presentation (TW1)
<b>Self-managers</b>	organising their time in the development of their business plan and the planning of the pitch presentation (SM3).

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Develop, present and communicate information</b>	
Present information in ways that are fit for purpose and audience	presenting a business plan to a potential sponsor
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	presenting a business plan to a potential sponsor
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	producing a business plan for a micro start-up business.

# Unit 8: Leadership and Teamwork

Unit code: H/600/0182

Level 2: BTEC

Credit value: 5

Guided learning hours:30

## ● Aim and purpose

The aim of this unit is to enable learners to develop the attributes that a successful entrepreneur needs when working in or leading a team.

## ● Unit introduction

In this unit, learners will gain an awareness that for whatever activities they undertake to develop their business idea and plan, these will usually involve working with others, often as part of a team. An effective team depends on leadership, and in this unit learners will have the opportunity to work in a team both as a member and as a leader. Learners will develop an understanding of team roles and how teams work together, as well as an understanding of conflict within teams.

Learners will practise teamworking skills, as well as learning what qualities are needed to motivate and inspire others to perform well. They will assess their contribution both as a team worker and a leader.

## ● Learning outcomes

**On completion of this unit a learner should:**

- 1 Understand the factors that contribute to effective teamworking
- 2 Be able to work in a team, and lead a team activity.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Understand the factors that contribute to effective teamworking	P1	explain the benefits of teamworking for a business
		P2	discuss ways in which conflict in a team can be managed
2	Be able to work in a team, and lead a team activity	P3	contribute to a team activity as a member, assessing own performance and effectiveness of the team (TW1)
		P4	lead a team activity, assessing own performance and effectiveness of the team (TW3/TW4/TW5).

# Unit content

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## 1 Understand the factors that contribute to effective teamworking

*Teamworking:* characteristics of effective teamworking (united in common purpose, trust, commitment, being open with each other, accepting consensus decisions, supporting each other); Belbin team roles; stages of team development; benefits of effective teamworking for the business (making best use of people's differing strengths, increased efficiency and productivity through less duplication of tasks, less risk if a team member leaves as others can take on the role and responsibilities, suggestions made for improvements to working practices); communication and listening skills

*Conflict:* recognising and dealing with conflict situations; negotiating compromises and win-win solutions; using active listening techniques; focusing on the issues rather than the person; causes of conflict, eg personality conflicts, poor time management, lack of leadership, lack of clarity of objectives or team roles

## 2 Be able to work in a team, and lead a team activity

*Leadership skills:* building working relationships; qualities, eg enthusiasm, confidence, integrity, courage, leading by example; communication and listening skills, eg active listening, questioning, body language; recognising and dealing with conflict situations; skills, eg assigning work tasks, monitoring performance, motivating team members through inspirational and effective leadership, mentoring and coaching, giving and receiving feedback

## 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:
<p><b>P1</b> explain the benefits of teamworking for a business</p> <p><b>P2</b> discuss ways in which conflict in a team can be managed</p>		
<p><b>P3</b> contribute to a team activity as a member, assessing own performance and effectiveness of the team [TW1]</p> <p><b>P4</b> lead a team activity, assessing own performance and effectiveness of the team [TW3/TW4/TW5].</p>	<p><b>MI</b> assess the effectiveness of own performance as a member and leader in terms of meeting objectives.</p>	<p><b>DI</b> evaluate own performance, drawing on recommendations for improvement.</p>

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated 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

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## Delivery

The delivery of this unit should be mostly experiential, developed from learner experience of teamworking and leading.

Factors that make teams work can be introduced through learners undertaking one of the many team activities that are available for use in the classroom. Discussion groups can then look at the benefits of effective teamwork. Tutor input is needed on the importance of goal setting and objectives; then learners can work in groups, with each group investigating a different team and identifying their purpose and structure. The teams could be from a local business, or could be from the centre. Alternatively, learners could use teams they are involved in outside of studying, for example sports teams, cadets, orchestra, drama groups etc.

Learners can present their findings to the rest of the groups and then have a group discussion on where they have seen effective teams, and agree their features. Learners should also explore the characteristics of different team leaders. This could be through activities such as identifying the attributes and qualities of well-known leaders performing their everyday responsibilities such as assigning tasks and handling conflict. It is important that the tutor stresses that an effective team needs to include people with a range of capabilities and not just consist entirely of those with leadership skills.

Learners need to understand the relevance of different team roles. Tutors can use Belbin's Team Role Theory model to illustrate that in order to achieve the task, a combination of team roles needs to be present, although a team member may display characteristics of more than one team role. This theory determines allowable strengths and weaknesses of each role and their contribution to the team. It would be useful for learners to undertake a 'Belbin Team Role Analysis' exercise so that they can identify their preferred roles, and this might be helpful when allocating tasks for the team activity.

This knowledge and understanding of team roles will help learners develop teamworking skills. It is important for learners to have plenty of opportunities for teamworking activities, and 'Apprentice' style challenges will provide excellent opportunities to practise and demonstrate skills both as members and leaders. To give learners the opportunity to be a member as well as a leader, it is suggested that groups have between four and 10 team members. Exercises can be given to highlight the advantages and disadvantages of teamworking, including how to contribute, follow instructions, and deal with difficult people. Role-play scenarios could be used in these exercises. At the end of a group activity, learners can be asked to review how they and other team members have performed. They can try to identify something that they would like to do differently next time.

Teamworking challenges could be made more realistic if this unit is combined with *Enterprise in the Workplace*. Groups of learners could be provided with actual tasks relevant to an existing business with some support.

Conflict within teams can be introduced through a group discussion on what conflict is, with learners drawing on their own experiences. The tutor could explain that not all conflict is negative, and provide examples of instances when it could have a positive effect. It would be useful for learners to have a guest speaker with experience of working in a team to explain how they prevent and diffuse conflict situations within teams. The guest speaker should be briefed to give examples of different sources of conflict (organisation based and team member based) and to explain how they were resolved. Learners can prepare a checklist or questionnaire to gather information to enable them to participate in a question and answer session with the guest speaker. It is important that learners are able to identify situations where conflict may arise and give reasons why this has occurred. Learners can practise role-play exercises and research case studies to develop their conflict resolution skills. Tutors should introduce the key features of the main types of behaviours which contribute to conflict within a team, including aggressiveness, assertiveness, avoidance

and submissiveness. Emphasis should be focused on body language, in particular what to look for in other people's body language (gestures, facial expressions, posture, eye contact etc), discovering how to use body language to respond to other people, and looking at effective and ineffective use of body language in different situations. Videos can be used to show examples of different behaviours and the interpersonal skills used to diffuse conflict. Learners could then work in groups to research articles and case studies of inappropriate behaviour in the workplace and discuss the cause of the conflict.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Entrepreneur-led question and answer session on the benefits of team-leading skills.	2.0
Tutor led discussions on theory components of teamworking – learner groupwork and exercises.	5.0
Learners work with case studies, or select teams that they already work in and conduct Belbin Team Role. Analysis, learners feed back to class.	4.0
Learners in groups research qualities of well-known leaders.	4.0
Learners take part in role plays with specified scenarios – focusing on behaviour and conflict.	3.0
Learners take part in team challenges with each learner taking the role of the leader; evidence contributes to assignment: <b>Working in and Leading a Team (PI, P2, P3, P4, MI, DI).</b>	26.0
Following team activity learners take part in panel analysis of the activity, evidence contributes to assignment: <b>Working in and Leading a Team (PI, P2, P3, P4, MI, DI).</b>	3.0
Collation of evidence for assignment: <b>Working in and Leading a Team (PI, P2, P3, P4, MI, DI).</b>	3.0
<b>Total learning time hours</b>	<b>50</b>

## Assessment

Team challenges and learner evaluations of own and others' contributions to challenges as well as a one-to-one review with the tutor would provide evidence for learning outcomes 1 and 2. The tutor should provide a witness testimonial of each learner's ability to work and communicate effectively during the teamworking activities. The review will allow learners to assess their own performance whilst explaining the benefits of teamworking.

P1 and P2 could be evidenced through the diary notes, witness testimonial, and one-to-one review with the tutor. Although learners are not assessed on their ability to deal with conflict, if it occurs during the team challenge, then learners can refer to it in their review. Otherwise, the tutor will need to ask a hypothetical question about ways in which conflict in a team can be managed.

The teamworking activities/challenges for P3 and P4 should have a meaningful purpose and allow all learners to take a role as both a team leader and a member. Although the 'leader' role may well be assigned by the tutor, learners should assign other responsibilities as they see fit. During the challenges, learners must be encouraged to keep diary notes of the team's performance so that they can refer to them during the review session.

Learners also need to develop their ideas of the team's effectiveness (M2) through assessing how well the team's performance met the objectives of each challenge. They can draw on the different team activities and assess whether the objectives were met or not. For D2, learners need to extend their evidence by evaluating how well the team performed during the different activities, and making recommendations for improvements.

## Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the 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, P3, P4, M1, D1	Working in and Leading a Team	'Apprentice' style challenges.	Witness testimonial from tutor on team member and team leader role in contribution to activities.  Witness testimonial from a question and answer evaluation event at end of activity.

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

This unit forms part of the BTEC Enterprise and Entrepreneurial Skills sector suite. This unit has particular links with:

Level 2	Level 3
Creating a Vision for your Business Plan	Leadership and Teamwork
Enterprise in the Workplace	Working as an Intrapreneur

## Employer engagement and vocational contexts

Visits to businesses and from guest speakers will be essential for the delivery of this unit. Entrepreneurs who can talk about the teamwork and leadership skills they needed to develop to get the business or social enterprise running and sources of help they used will be invaluable. Also, guest speakers can give examples of real-life conflict in teams and the best ways to resolve them.

## Indicative reading for learners

### Textbooks

Adair J – *Effective Teambuilding: How to Make a Winning Team* (Pan, 1987) ISBN 978-0330298094

Belbin M – *Team Roles at Work* (Butterworth-Heinemann Ltd, 1996) ISBN 978-0750626750

Jones P – *Tycoon* (Hodder and Stoughton, 2008) ISBN 978-0340952351

Leigh A and Maynard M – *Leading Your Team* (Nicholas Brealey, 2002) ISBN 978-1857883046

Williams S – *Lloyds TSB Small Business Guide, 13th Edition* (Vitesse Media Group, 2003) ISBN 978-0954562120

## Websites

<a href="http://www.chamberonline.co.uk">www.chamberonline.co.uk</a>	British Chambers of Commerce – business support
<a href="http://www.cim.co.uk">www.cim.co.uk</a>	Chartered Institute of Marketing
<a href="http://www.cipd.co.uk">www.cipd.co.uk</a>	Chartered Institute of Personnel and Development
<a href="http://www.lloydstsbusiness.com">www.lloydstsbusiness.com</a>	Small Business Guide Lloyds TSB
<a href="http://www.peterjones.tv">www.peterjones.tv</a>	Peter Jones TV
<a href="http://www.sfedf.co.uk">www.sfedf.co.uk</a>	Small Firms Enterprise Development Initiative

Learners should be encouraged to consult a wide range of commercial websites to support the evidence they develop for this unit. Websites often make reference to other internet information sources. These resources should be used with caution.

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Team workers</b>	P3 contributing to a team activity assessing own performance and effectiveness of the team (TW1)
	P4 leading a team activity assessing own performance and effectiveness of the team (TW3/TW4/TW5).

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 ...
<b>Independent enquirers</b>	identifying and clarifying which problems have to be resolved in order to succeed at the teamworking task (IE1)
	carrying out research into the qualities of team leaders (IE2) considering the influence of circumstances, beliefs and feelings on team performance (IE5)
	supporting their self-assessment of team effectiveness with reasoned arguments and evidence (IE6)
<b>Creative thinkers</b>	generating ideas for team challenges (CT1)
	connecting their own and others' ideas and experiences in inventive ways (CT3)
	working as part of a team, trying out alternative approaches (CT5) recognising the need to adapt their behaviour and styles of communication with different team members (CT6)
<b>Reflective learners</b>	assessing themselves and others after a team activity (RL1)
	preparing for the team activity, setting goals and success criteria for the task (RL2)
	reviewing the progress at the end of the teamworking task (RL3)
	reflecting on their performance as team member by evaluating these experiences to inform progress (RL5)
<b>Team workers</b>	reaching agreements and managing discussions while taking part in a team activity (TW2)
	taking responsibility for the team's success, showing confidence in themselves (TW5)
<b>Self-managers</b>	working towards goals as part of the team activity, showing initiative, commitment and perseverance (SM2)
	dealing with competing pressures (SM5)
<b>Effective participators</b>	working as part of a team, presenting a persuasive case for action during discussions (EP2)
	proposing practical ways forward (EP3) and trying to influence others (EP5).

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	taking part in team discussions during the team activities/ challenges
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	researching characteristics of team leaders.

# Unit 9: Toolkits for Idea Generation

**Unit code:** Y/600/0101

**Level 2:** BTEC

**Credit value:** 5

**Guided learning hours:** 30

## ● Aim and purpose

The aim of this unit is to enable learners to develop a toolkit of skills and techniques required for creative thinking and innovation.

## ● Unit introduction

Many entrepreneurs start their enterprise through inventing or designing a completely new product or service. Others may re-invent or build on other people's ideas by improving an existing product or service. Both show creativity, and being a successful entrepreneur involves understanding the role of creativity in spotting an opportunity when developing a business idea. Learners will use a range of techniques to unlock creativity in different situations.

When setting up in business, it is important that sufficient research is undertaken to assess the likely success and financial viability of the business idea and identify how it will work in practice. In order to learn what potential pitfalls might be faced when developing business opportunities, learners will investigate the ways in which many successful entrepreneurs have been creative and innovative in developing and launching products and services where they did not obviously exist.

This unit enables learners to practise and develop their skills in using creativity techniques. Learners will develop a critical attitude to the techniques and the focus is on enabling them to develop a toolkit for their future use.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Know ways business ideas have been developed
- 2 Be able to use a toolkit of creative techniques to generate ideas
- 3 Understand the impact of creative techniques.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Know ways business ideas have been developed	P1	describe how two business enterprises encourage creativity in self and from others
		P2	identify the benefits and risks an innovation can bring to a business
2	Be able to use a toolkit of creative techniques to generate ideas	P3	demonstrate creative techniques when developing new ideas (CT1, CT5)
3	Understand the impact of creative techniques	P4	assess the usefulness of creative techniques in idea generation (RL1, RL3, RL5).

# Unit content

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## 1 Know ways business ideas have been developed

*Encouraging creativity in self:* local and national examples, eg envisioning the future development of an idea; impact of own mindset on development of an idea; using creativity techniques; own learning and development

*Encouraging ideas from others:* local and national examples, eg staff, customers, stakeholders, networking contacts, professional advisers; using reward or recognition; giving feedback to others on whether suggestions have worked or not; sources of advice, eg Business Link, local bank etc

*Benefits and risks:* benefits of innovation; exploring different solutions to challenges; assessing risks involved in different opportunities; types of risk, eg high risk, low risk; deciding whether a risk is worth taking; avoiding pitfalls; minimising risks

## 2 Be able to use a toolkit of creative techniques to generate ideas

*Creativity techniques:* eg TGROW (topic, goal, reality, options, will), entrepreneurs' methods of developing a vision, eg find quiet and relaxing location; think big, reach for the sky; imagine and visualise success; crystallise the vision; the journalistic six: asking who, why, what, where, when, how; brainstorming; mindmapping; visualisation; storytelling; lateral thinking; encouraging others to offer suggestions and ideas; thinking creatively; sources of blocking creativity, eg functional fixation; unblocking techniques, eg 'uses for' activity, improvements to, hypothesising, attribute analysis, morphological analysis, reversal, analogy and metaphor, trigger concepts, checklists

*Ideas:* eg brand new products and services, existing products and services revised for new markets, new business models, expansion opportunities for existing businesses

## 3 Understand the impact of creative techniques

*Creativity techniques:* (from above)

*Evaluation:* which techniques were most useful; how techniques will inform future development

*Usefulness:* suitability of ideas generated; appropriateness of technique for self; quantity and quality of ideas

## 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:
<p><b>P1</b> describe how two business enterprises encourage creativity in self and from others</p> <p><b>P2</b> identify the benefits and risks an innovation can bring to a business</p>	<p><b>M1</b> explain why some ways for taking business ideas forward are more appropriate than others</p>	
<p><b>P3</b> demonstrate creative techniques when developing new ideas [CT1, CT5]</p>		
<p><b>P4</b> assess the usefulness of creative techniques in idea generation [RL1, RL3, RL5].</p>	<p><b>M2</b> evaluate creative techniques for usefulness in idea generation.</p>	<p><b>D1</b> evaluate your experience of the development of ideas, suggesting how future development could be improved.</p>

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated effective application of the referenced elements of the skills.

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

## Essential guidance for tutors

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### Delivery

For most entrepreneurs, new ideas for a business venture come from ways to improve an existing product or spotting a gap in the market that could be filled by a product or service. This unit builds on the skills required for setting up and running a business in *The Entrepreneurial Mindset*. Tutors could co-deliver this unit with *Creating a Vision for your Business Plan*; this would be particularly useful if learners need support in developing a business idea for a business plan.

Tutors could introduce this unit by getting learners to think of a niche market that could be developed locally. Learners can work in small groups to list three or four innovative product ideas for their local market. They will need to identify what products or services would be needed but are not provided by an existing business. Each group could select three or four of the ideas and work together to carry out a SWOT analysis of each idea. The groups could then prepare a short presentation assessing the pros and cons of their ideas and feed back to the whole group using PowerPoint or an overhead projector to support their presentation.

Learners need to understand how innovation contributes to business success. Using their selected ideas for business opportunities, they could produce a mindmap of the benefits and risks to the business that potential innovations could bring. They could then prepare a short written statement describing what steps they could take to minimise these risks. A visiting speaker, such as a microbusiness owner, could also be invited to deliver a presentation illustrating the types of risk they faced when setting up in business, the opportunities they identified and developed to enable their business to grow, and how they managed the risks to achieve the business goals.

In order to generate ideas and unlock creativity, learners can practise using a range of different techniques. Learners should be introduced to as many techniques as possible, so that they can explore ways to help them find different ways of doing things. Exercises could be developed which require learners to use creativity techniques to solve problems. These techniques should then be applied to developing business ideas.

Learners need to develop a critical attitude to creativity techniques, and this will be necessary for assessment. Learners should explore what works for them, which techniques are successful and productive, and which are not. Reasons for this may vary and depend on the contexts in which learners are working, learners' own personalities and preferences and the appropriateness of the idea. Learners should include these aspects in their critique.

To add vocational relevance, it would be desirable if learners could be allocated a mentor in the business community to offer support and guidance for the development of techniques. Tutors should be mindful of whether this could be sustained or would be practical.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Introduction to the unit and the programme of learning.	2.0
Learners work in groups with entrepreneur support to discuss the different avenues available for development of new ideas. Learners feed back to main group and collate ideas.	5.0
Learners in groups undertake research on innovative ideas for niche markets, the creative processes in their development and how they were launched.	5.0
Research on benefits and risks to business of specific innovations. Learners should research examples of both success stories and failures.	6.0
Preparation for assignment: <b>How Innovation Affects Business (P1, P2, M1)</b> .	3.0
Tutor-led sessions on creativity techniques, learner group practice.	4.0
Learner workshops with entrepreneurs practising creative skills in developing new ideas. Learners draw on subjects, products or services in which they are interested and try out techniques.	9.0
Learners in groups present the ideas they have created and receive feedback from other learners, tutor and entrepreneurs.	6.0
Learners review techniques as they are used, and discuss their views in groups.	4.0
Preparation for assignment: <b>Being Creative (P3, P4, M2, DI)</b> , including learner-initiated private study evaluating success of idea.	6.0
<b>Total learning time hours</b>	<b>50</b>

## Assessment

To achieve a pass grade, learners will need to provide evidence that meets the assessment criteria for P1-P4. Learning outcome 1 could be evidenced through a written report or a presentation by one learner or a group. Presentations should be supported by tutor observation and recorded for internal and external verification purposes. Learners should hand in copies of research notes, slides, and any handouts or additional literature used.

Learning outcome 2 could be evidenced through observation, a written testimonial from the tutor and written evidence from the learner. Learners need to develop skills showing creativity of approach when comparing potential business ideas and improvements. For learning outcome 3, written or verbal evidence could support their assessment by giving supported reasons why their idea will be successful.

To achieve P1 and P2, learners must identify and describe ways in which two entrepreneurial businesses encourage creativity, and the benefits and risks associated with innovation. Learners should be encouraged to focus on local microbusinesses and to engage with entrepreneurs. They should also outline what steps could be taken to minimise the risks associated with innovation. Learners must be able to understand the importance of encouraging feedback and suggestions for improvements from others and can draw on examples used by entrepreneurs they have researched. For P3, learners need to use different techniques to generate ideas for unlocking creativity. Group games and activities will contribute to meeting the assessment requirements for this criterion, and tutors must confirm each learner's use of different techniques. Pass grade learners may need some guidance from the tutor on applying creative techniques. P4 requires learners to assess the usefulness of creativity techniques and they should have a rationale for why techniques might be useful based on the context in which ideas are used, the appropriateness according to learner preference and the value ascribed to the technique.

To achieve M1, the learner should use well-chosen examples to explain reasons why some ways of developing business ideas are better than others. They can compare the advantages and disadvantages of different channels, and also of different idea generation tools.

To achieve M2, learners should develop their critique from P4 to evaluate creativity techniques.

To achieve D1, the learner should develop their ideas for merit grade and evaluate their experiences of developing an idea.

### 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, M1	How Innovation Affects Business	Brief from local council wanting to host a business breakfast session on innovation.	Prepare a presentation on ways to develop business ideas and the benefits and risks associated with such an innovation.
P3, P4, M2, D1	Being Creative	Problems which require use of creative techniques – report or presentation on ideas.	Witness testimonial from tutor confirming application of creative techniques for potential innovations Learner review (either one-to-one with tutor or written) on the usefulness of techniques.

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

This unit forms part of the BTEC Enterprise and Entrepreneurship sector suite. This unit has particular links with:

Level 2	Level 3
Creating a Vision for your Business Plan	The Innovative Entrepreneur
The Entrepreneurial Mindset	Working as an Intrapreneur

It also links to the following National Occupational Standard at level 2 in Understanding Enterprise:

- Unit UE2: Identifying and managing opportunities and risks.

## Essential resources

As many of the outcomes for this unit require learners to undertake research, learners should have access to many different forms of information as possible, for example libraries and other research facilities including the internet, national newspapers, local banks, and start-up business training agencies.

## Employer engagement and vocational contexts

Visits to businesses and from guest speakers will be useful for the delivery of this unit. Entrepreneurs who can talk about the impact of innovations they developed in terms of benefits and risks and how these risks were minimised will be invaluable.

## Indicative reading for learners

### Textbooks

Barclay L, Barrow C, Barrow P and Brooks G – *Starting and Running a Business: All-in-one for Dummies* (JWiley and Sons, 2007) ISBN 978-0470516485

De Bono E – *How to Have Creative Ideas: 62 Exercises to Develop the Mind* (Vermilion, 2007) ISBN 978-0091910488

Jones P – *Tycoon* (Hodder and Stoughton, 2008) ISBN 978-0340952351

Williams S – *Lloyds TSB Small Business Guide, 13th Edition* (Penguin, 2000) ISBN 978-0954081249

### Websites

<a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a>	Government website for practical business advice
<a href="http://www.chamberonline.co.uk">www.chamberonline.co.uk</a>	British Chambers of Commerce – business support
<a href="http://www.enchantedmind.com">www.enchantedmind.com</a>	Website for creativity techniques and puzzles
<a href="http://www.peterjones.tv">www.peterjones.tv</a>	Peter Jones TV
<a href="http://www.sfedl.co.uk">www.sfedl.co.uk</a>	Small Firms Enterprise Development Initiative
<a href="http://www.smallbusiness.co.uk">www.smallbusiness.co.uk</a>	News and information for small businesses

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Creative thinkers</b>	P3 demonstrating creative techniques when developing new ideas (CT1, CT5)
<b>Reflective learners</b>	P4 assessing the usefulness of creative techniques in idea generation (RL1, RL3, RL5).

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 ...
<b>Independent enquirers</b>	researching possible innovative product ideas (IE2) exploring the issues of the benefits and risks associated with innovation (IE3) considering the influence of circumstances, beliefs and feelings on people's creative abilities (IE5)
<b>Reflective learners</b>	inviting feedback from entrepreneurs on the viability of their potential innovation, dealing positively with praise, setbacks and criticism (RL4)
<b>Team workers</b>	working in groups to generate ideas for identifying market niches (TW1) reaching agreements to achieve results (TW2)
<b>Self-managers</b>	working towards their goals, showing initiative, commitment and perseverance (SM2) responding positively to change, seeking advice and support when needed from tutor (SM6)
<b>Effective participators</b>	working as part of a team, presenting a persuasive case for action during discussions (EP2) proposing practical ways forward (EP3) trying to influence others (EP5).

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	researching information on risks a business might face
<b>ICT – Develop, present and communicate information</b>	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> <li>• text and tables</li> <li>• images</li> <li>• numbers</li> <li>• records</li> </ul>	developing materials for a presentation on the benefits and risks an innovation can bring
Bring together information to suit content and purpose	writing their evaluation on the success of the idea
Present information in ways that are fit for purpose and audience	presenting their findings on ways to develop business ideas
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	discussing ideas for potential innovations delivering their presentation to an audience working in groups applying creative techniques
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	researching local niche markets
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	preparing their presentation for an audience writing their evaluations.

# Unit 10: Managing Personal Finances

**Unit code:** D/600/0178

**Level 2:** BTEC

**Credit value:** 5

**Guided learning hours:** 30

## ● Aim and purpose

The aim of this unit is to enable learners to develop the skills and knowledge to manage their personal finances and be able to plan for a secure future.

## ● Unit introduction

Planning personal finances is a skill which all business people need to develop if they are to have a secure financial future, and it is important for learners to appreciate the factors that can impact on this as well as the consequences of not planning properly. This unit will enable learners to investigate all sources of personal income and items of expenditure, although not all of these may currently apply to them. Personal organisation and problem-solving skills are needed to manage personal finance, and learners will be able to apply these when constructing their own realistic budgets.

Business people must have a good understanding of the financial issues and responsibilities regarding taxation of income. Learners will be able to examine the different types of taxes which are applicable to them, current rates, and how taxes are used.

Getting sound and impartial financial advice on savings and investments is important and in this unit learners will learn about different financial services and how these can help when making critical personal financial decisions. The unit aims to develop knowledge and understanding of different financial products and services available, showing the benefits and risks involved when making investment or borrowing decisions.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Know ways to manage personal finance
- 2 Know common financial products and services
- 3 Be able to produce a personal budget that takes account of personal remuneration and expenditure.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Know ways to manage personal finance	P1	outline ways of managing personal financial planning and accurate record keeping (IE3)
2	Know common financial products and services	P2	identify sources of advice for ways of managing financial products and services
		P3	describe financial products and services appropriate to self
3	Be able to produce a personal budget that takes account of personal remuneration and expenditure	P4	construct a personal budget that takes account of personal remuneration and expenditure.

# Unit content

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## 1 Know ways to manage personal finance

*Managing personal finance:* importance, eg to avoid getting into debt, controlling costs, remaining solvent, saving, maintaining a good credit rating; keeping financial records, eg bank statements, cheque stubs, receipts, bills, pay slips; contingency planning; personal taxation (purpose, types, rates); security of money, eg setting up direct debits and standing orders, using ATMs and PINs; online banking; skills needed to manage personal finance eg problem solving, risk taking, decision making, time management

## 2 Know common financial products and services

*Financial services providers:* banks, building societies, independent financial advisers, financial companies, retailers (store cards, personal loans); purpose, eg giving financial advice on managing money, providing savings or investment accounts, providing insurance against sickness/loss, lending money subject to specific criteria; other sources of information and advice

*Types of products and services:* features, benefits and charges, eg current or savings accounts, insurance protection, life assurance, mortgages, pensions; risks and benefits of borrowing money eg secured and unsecured loans, overdrafts, credit cards; comparing options; making suitable choices based on accurate information

## 3 Be able to produce a personal budget that takes account of personal remuneration and expenditure

*Personal budget:* purpose; construction and key elements; regular and irregular income and expenditure; sources of income, eg wages, salary, overtime, tips, fees, bonus or commission earned, allowances, state benefits, grants, interest from savings or investments, gifts, inheritances; types of expenditure, eg accommodation, taxes, household expenses (utilities), travelling, food, clothing, communication (landline, mobile, internet), leisure activities, insurance, savings, special occasions, credit card or loan payments

## 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 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:
<b>P1</b> outline ways of managing personal financial planning and accurate record keeping [IE3]	<b>M1</b> explain the reasons for budgetary decisions	<b>D1</b> justify reasons for financial planning decisions.
<b>P2</b> identify sources of advice for ways of managing financial products and services <b>P3</b> describe financial products and services appropriate to self	<b>M2</b> analyse the different features of financial products and services relating to current and savings accounts.	
<b>P4</b> construct a personal budget that takes account of personal remuneration and expenditure.		

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated effective application of the referenced elements of the skills.

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

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## Delivery

It is recommended that this unit is delivered before *Financial Modelling and Forecasting*. This is to introduce learners to the often difficult subject matter of finance using contexts that are familiar.

All learners have experience of money in their everyday lives. This unit may be introduced by establishing the importance of managing personal finance through avoiding debt and learners should understand the difference between good debt and bad debt. If a large purchase needs financing then debt can be unavoidable and can be more easily managed. It is important to avoid debt that cannot be managed, and so, in this unit, 'debt' is interpreted to mean being unable to pay back money that is owed, getting behind on repayments, etc. Case studies from the 'Credit Crunch' global financial crisis could be used to illustrate the effects of not controlling costs and the subsequent inability to get credit, causing financial problems if personal finance is not managed. Borrowing money and the implications of paying interest can be illustrated using a credit card example of borrowing £1000 to pay for a purchase such as a car, where if paying the minimum amount each month, interest would accumulate and thus it would take over 25 years to clear the debt. It is important for learners to understand the security issues relating to personal finance, especially fraud and theft with ATMs and PINs, and purchasing goods online. Topical issues such as identity fraud can be explained with a guest speaker from a bank for example.

Learners need to learn about the different financial records that need to be kept for personal finances such as bank statements, cheque stubs, receipts, bills etc. Tutors could provide a range of examples, and learners could produce their own (obviously respecting confidentiality of information) to use as realistic record entries to demonstrate the purpose of different records. Tutors should also ensure that what may be perceived by learners as a random selection of records does in fact form a comprehensive system. Learners can work through simple exercises prepared by the tutor and practise their skills by completing records such as spreadsheets of inflows and outflows, both manually and computer based.

Most learners will understand the concept of budgeting and can use their own experience to practise budgeting, even though they may not be familiar with the term. If learners have part-time jobs they can share experiences with the group of paying tax and National Insurance. Learners can plan a budget they would need if they went on to higher education, researching the types of expenditure they could expect such as rent, electricity, food, books, travel fares, phone, entertainment etc, and sources of income such as parental help, part-time earnings, student grants and loans. They could draw up a realistic budget and draw conclusions from that, sharing findings with the group. Learners could also research sources of income available to people if they are, or are not, in work. Tutors can provide exercises for calculating tax.

Learning about common products and financial services could start with banking services and proceed to savings and investments. Banking services may be presented with the use of commercial bank publicity material in both hard and soft copy. At each stage of learning, distinctive product features such as interest rates and accessibility may be discussed in order to develop learners' ability to make informed judgements supported by evidence. Learners lacking confidence should be gradually encouraged to progress beyond description to higher order skills of explanation, analysis and evaluation. They could be helped by presentations from, and discussions with, professional financial advisers. It should be noted that the programme assumes no prior learning of either general business studies or applied financial services.

Many learners will know about banks and building societies from personal experience, but they will need to develop their knowledge by investigating a range of these organisations and additional providers of financial services, and the products they all offer. Visits to, or guest speakers from, these financial organisations will

allow learners to experience the realities of financial advice. Group work and presentations, for example where different groups present their findings on different sources, are likely to be valuable techniques to use. Research using the internet and paper-based publications is also appropriate. It would be useful for learners to compare the features of different products and select a range of actual products, completing the paperwork (which can usually be accessed from banks and building societies in their literature). If they can complete the forms using IT this will help develop Functional Skills.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Tutor-led introduction to the unit and the programme of learning.	2.0
Range of guest speakers from, or visits to, financial services supporting delivery of aspects of personal finance.	8.0
Learner group research on remaining features – this could be through internet research or visits to services.	8.0
Learner group exercises to practise preparing simple budgets based on case study data.	3.0
Learner research on current and savings accounts, collating information for analysis of features.	3.0
Learner research on benefits and risks to business of a personal budget.	4.0
Learners work on own personal budgets.	3.0
Learner group research on sources of advice, learners work with case studies of problem budgets and select suitable sources of advice and guidance.	8.0
Preparation for assignment: <b>Reviewing Services (P2, P3, M2).</b>	3.0
Learners work on commentary on personal budgets drawing on study to explain and justify the reasons for their budgetary decisions.	5.0
Preparation for assignment: <b>Developing a Budget (P1, P3, P4, M1, D1).</b>	3.0
<b>Total learning time hours</b>	<b>50</b>

## Assessment

To achieve a pass grade, learners must meet all the P1-P4 assessment requirements. This will require careful and regular monitoring of the progress of each learner in completing the assessment. Assignments should be designed so that each learner is appropriately challenged and not overburdened with higher grade requirements before all pass grade criteria have been met.

Learning outcome 2 could be evidenced through a portfolio of evidence designed for the learner's own future use.

Pass level work will be characterised by brief descriptions and reviews. It is envisaged that this work will be presented in a format accessible for learners to use in the future. If they are involved in planning a future microbusiness or social enterprise, then they could include details relevant to their future needs. However, assessment of this unit focuses on learners' own finances. To achieve a merit, learners will focus on an analysis of the features of savings and current accounts and could be encouraged to analyse features with a view to what best meets their needs.

Learning outcomes 1 and 3 can be evidenced through a personal budget prepared either manually or on a computer, showing inflows and outflows, together with a conclusion of the results.

To achieve a pass, the budget should be annotated with a commentary outlining the importance of different aspects of the budget. The budget itself should be accurate and contain the features of a budget described in the content. At merit level the commentary will explain the reasons for the format and structure of the budget. At distinction level there will be evidence of justification of all decisions made in the financial planning.

### 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
P2, P3, M2	Reviewing Services	Development of a portfolio of services for own use.	Review the range of personal financial services applicable for own current or future use.
P1, P3, P4, M1, D1	Developing a Budget	Development of a budget for own use.	Develop a personal budget drawing on services reviewed.

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

This unit forms part of the BTEC Enterprise and Entrepreneurship sector suite. This unit has particular links with the following.

Level 2	Level 3
Financial Modelling and Forecasting	Financial Literacy and Awareness
	Financial Planning and Implementation

This unit links to the following National Occupational Standards at level 2 in Understanding Enterprise:

- Unit UE5: Winning help and support
- Unit UE7: Managing money matters.

### Essential resources

Many of the outcomes for this unit require learners to undertake research. To enable research skills to be developed effectively they should be introduced to as many different forms of information as possible, for example libraries and other research facilities including the internet, national newspapers, local banks and start-up business training agencies.

Learners will also benefit from case study materials, which may be able to focus on specific aspects of financial planning. Tutors should gather exemplar materials to help develop learners' understanding. They should also prepare suitable exercises to enable learners to practise the skills needed to prepare a personal budget. This should include some manual exercises as well as more complex spreadsheet exercises. Tutors can save time by preparing templates for learners to use to input data.

## Employer engagement and vocational contexts

Visits to companies and from guest speakers working in financial services is useful to the delivery of this unit. Centres should develop links with financial institutions who are willing to come in and talk about managing personal finances in an unbiased way (if possible). Alternatively, learners should be able to visit different financial institutions to research and collect information on a variety of products and services.

## Indicative reading for learners

### Textbooks

*Work Out Pack* (The Basic Skills Agency) ISBN 978-1859900864

Gorham J – *Mastering Personal Finance* (Palgrave Study Guides, 2007) ISBN 978-0230553019

Hall A – *Money for Life* (Coronet, 2000) ISBN 978-0340793213

Hall A – *Your Money or Your Life* (Coronet, 2003) ISBN 978-0340823200

Lowe J – *Personal Finance Handbook, 2nd Edition* (Child Poverty Action Group, 2007) ISBN 978-1906076016

### Journals and newspapers

*The Economist* and quality newspapers, especially the business sections

### Websites

<a href="http://www.bis.gov.uk">www.bis.gov.uk</a>	Department for Business, Innovation and Skills
<a href="http://www.bizhelp24.com">www.bizhelp24.com</a>	Advice on business finance
<a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a>	Government website for practical business advice
<a href="http://www.businessvision.co.uk">www.businessvision.co.uk</a>	Information on business finance and accounting
<a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a>	HM Revenue and Customs
<a href="http://www.lloydstsbbusiness.com">www.lloydstsbbusiness.com</a>	Small Business Guide Lloyds TSB
<a href="http://www.moneysavingexpert.com">www.moneysavingexpert.com</a>	Martin Lewis
<a href="http://www.moneysupermarket.com">www.moneysupermarket.com</a>	Compare UK bank and building society accounts to choose the most suitable
<a href="http://www.pfeg.org">www.pfeg.org</a>	Personal Finance Education Group (PFEG)
<a href="http://www.sfedi.co.uk">www.sfedi.co.uk</a>	Small Firms Enterprise Development Initiative
<a href="http://www.smallbusiness.co.uk">www.smallbusiness.co.uk</a>	News and information on small company investment
<a href="http://www.startups.co.uk">www.startups.co.uk</a>	Provides practical information on all aspects of starting up a new business
<a href="http://www.thisismoney.co.uk">www.thisismoney.co.uk</a>	Financial website with advice on small businesses

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Independent enquirers</b>	PI outlining ways of managing personal financial planning and accurate record keeping (IE3).

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 ...
<b>Independent enquirers</b>	exploring debt from the point of view of the consumer of the financial institution (IE3) analysing and evaluating sources of financial advice available, judging their relevance and value (IE4)
<b>Creative thinkers</b>	comparing the merits of different products/services in a given situation (CT5)
<b>Reflective learners</b>	reviewing their own progress in becoming more financially aware (RL3) evaluating their existing financial experience to inform their learning (RL5)
<b>Self-managers</b>	organising time and resources when constructing personal budgets (SM3) anticipating and managing risks when constructing personal budgets by building in contingencies (SM4)
<b>Effective participators</b>	discussing issues of concern such as debt management (EP1) proposing practical ways forward when planning expenditure, breaking these down into manageable steps (EP3).

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Use ICT systems</b>	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	researching into financial organisations, products and services
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	preparing spreadsheet budgets
Manage information storage to enable efficient retrieval	saving and retrieving text-based and numerical (eg budget) information
Follow and understand the need for safety and security practices	exploring issues relating to electronic fraud and theft; undertaking safe practice when using internet and other relevant software/hardware
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	researching into (eg) internet-based financial organisations, products and services
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	researching into financial organisations, products and services, eg for the purposes of spending, saving and borrowing money
<b>ICT – Develop, present and communicate information</b>	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> <li>• text and tables</li> <li>• images</li> <li>• numbers</li> <li>• records</li> </ul>	preparing presentation on managing personal finance constructing budgets creating records of financial products and services
Bring together information to suit content and purpose	bringing together cash inflows and outflows; creating records of financial products and services
Present information in ways that are fit for purpose and audience	presenting individual budgets
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	obtaining web-based information about financial products and services

Skill	When learners are ...
<b>Mathematics</b>	
Understand routine and non-routine problems in a wide range of familiar and unfamiliar contexts and situations	dealing with budgeted figures; calculating interest and borrowing amounts; interpreting simple taxation information
Identify the situation or problem and the mathematical methods needed to tackle it	obtaining budgeted information from existing spending and income statements; selecting relevant interest and taxation percentages
Select and apply a range of skills to find solutions	constructing budgets; calculating interest and borrowing amounts and costs
Use appropriate checking procedures and evaluate their effectiveness at each stage	totalling budget columns and rows and cross-checking checking the logic of interest and borrowing calculations
Interpret and communicate solutions to practical problems in familiar and unfamiliar routine contexts and situations	interpreting budgeted, interest and borrowing results
Draw conclusions and provide mathematical justifications	using interest, commission and borrowing calculations to justify decisions on budgeted, interest and borrowing results
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	discussing and exchanging information about financial organisations, products and services delivering presentation to an audience
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	reading and understanding literature from financial organisations
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	completing documents relating to financial products and services; creating budget statements.



# Unit 11: Enterprise in the Workplace

**Unit code:** Y/600/0180

**Level 2:** BTEC

**Credit value:** 10

**Guided learning hours:** 60

## ● Aim and purpose

The aim of this unit is to enable learners to develop skills and knowledge to be entrepreneurial. Learners will do this by undertaking specific projects which involve working on real business problems in host organisations.

## ● Unit introduction

Running your own business can be an exciting yet daunting challenge. Exciting, as the drive to succeed and personal dreams are fulfilled; daunting, as unknown challenges are faced. It is important, therefore, for learners to have the opportunity to experience typical day-to-day entrepreneurial activities first hand and to be able to undertake specific projects or solve real business problems. This unit aims to develop knowledge and understanding of how businesses succeed and the skills and abilities entrepreneurs draw on when faced with everyday issues or problems. This will be achieved through learners undertaking enterprise work placements to build their confidence and skills.

Learners will undertake a minimum of two work experience placements working with two host enterprise organisations in order to broaden their experiences and apply their skills to particular projects or real business problems. This experience will enable learners to agree and set goals and to monitor and review the objectives through the process of identifying and developing ideas for the project or problem. Each project or problem, to be agreed with the host organisation and tutor, will focus on the production of an action plan with aims, objectives and targets that supports the development of the problem-solving process. Learners will monitor their progress against the agreed action plan targets, and review the effectiveness of their own performance through recording their experiences in a learning log or diary. Being able to reflect on and evaluate their performance and progress, and learn from challenges other successful entrepreneurs face, will help learners understand the importance of planning and monitoring goals and the skills developed whilst on the placement.

## ● Learning outcomes

### **On completion of this unit a learner should:**

- 1 Know the features of the work placement organisations
- 2 Be able to agree and undertake two suitable projects or problems to solve
- 3 Be able to review work experience
- 4 Be able to report and present outcomes.

## Learning outcome/assessment criteria grid

Learning outcomes		Assessment criteria	
		<b>To achieve each outcome a learner must demonstrate the ability to:</b>	
1	Know the features of the work placement organisations	P1	describe the type, structure and function of the host organisations
		P2	identify the competitors of the host organisations
2	Be able to agree and undertake two suitable projects or problems to solve	P3	prepare a plan showing agreed objectives and targets for one activity in each of two work placements (RL2, TW1, SM3)
		P4	demonstrate problem-solving skills in carrying out the plans
3	Be able to review work experience	P5	maintain a reflective log to monitor the progress of activity and development of own skills and behaviours (RL3, SM2)
4	Be able to report and present outcomes	P6	present results of activities in a suitable format describing own contribution in the workplaces (RL6).

# Unit content

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## 1 Know the features of the work placement organisations

*Types of organisation:* public limited company (plc); private limited company (ltd); partnership; local authority; charity; franchise

*Internal structure of organisation:* aims; role; policies and procedures of organisation; organisational charts; functional interdependence; staff organisation and roles; learner's role and place in structure

*Sector:* business, eg finance, banking, law, management, human resources, marketing, charity

*Function:* type, scope and purpose of business, eg national, international, global, eg sales, services; profit, not for profit

*Competitors:* names; links; national; EU; global

## 2 Be able to agree and undertake two suitable projects or problems to solve

*Aims, objectives and targets:* personal/career development, work-related, eg job competencies, daily duties and routines, operational, practical, technical, people-related, learning and development, quality, health and safety, equal opportunities, benefit to the learner/organisation, review/achievement dates

*Project/problem to solve:* agreeing scope, terms of reference, budget, time scales, resources; action planning, setting SMART objectives

*Problem-solving skills:* being creative and innovative; methods of achieving aims, objectives and targets; intended outcomes

## 3 Be able to review work experience

*Reflective log:* diary format, eg daily, half daily, hourly; detail, eg tasks, supervisors, location; signatures, eg mentor, supervisor, tutor; information, eg meetings, training; achievements; best and worst aspects; reflection; evaluation

*Skills and behaviours:* dress code; punctuality; working with others; teamwork; communication and interpersonal skills; business etiquette; respect for diversity; asking questions; improved confidence; reliability

*Monitor performance:* recording activities; assessing outcomes of project or problem; judging own performance; personal achievements against aims and objectives

*Review:* self-review; review with workplace supervisor; review with tutor; formative and summative; strengths and weaknesses of project; use and transferability of new skills and knowledge; identification of issues; application of solutions

#### 4 Be able to report and present outcomes

*Outcomes:* benefits to self and to work placement provider; career development plans; success of solutions applied to identified issues; successful and unsuccessful outcomes; identification of improved knowledge and skills; development of problem-solving skills

*Report:* written; verbal; use of materials, eg photographs, work-related forms; witness testimony; diary, log

*Presentation:* to tutor, workplace provider, other learners; one-to-one or to group; simple format for presentation, written or verbal; use of ICT, eg PowerPoint; use of activity log or other records

## 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:
<p><b>P1</b> describe the type, structure and function of the host organisations</p> <p><b>P2</b> identify the competitors of the host organisations</p>	<p><b>M1</b> explain how structure supports the functioning of the host organisations</p>	
<p><b>P3</b> prepare a plan showing agreed objectives and targets for one activity in each of two work placements [RL2, TW1, SM3]</p> <p><b>P4</b> demonstrate problem-solving skills in carrying out the plans</p>	<p><b>M2</b> assess progress against the aims, objectives and targets</p>	
<p><b>P5</b> maintain a reflective log to monitor the progress of activity and development of own skills and behaviours [RL3, SM2]</p>	<p><b>M3</b> explain how the development of skills and behaviours improved effectiveness in the workplace.</p>	<p><b>D1</b> evaluate how the work experience supported the development of entrepreneurial skills</p>
<p><b>P6</b> Present results of activities in a suitable format describing own contribution in the workplaces [RL6].</p>		<p><b>D2</b> evaluate the contribution of own skills and abilities to the performance of the businesses.</p>

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated 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

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## Delivery

Work experience will be undertaken over two sessions of a minimum of one week each, totalling a minimum of two weeks of placement with **two different** host enterprise organisations. Although one week in each host organisation is the minimum required, it is preferable for learners to undertake two weeks with each host organisation. Host businesses could include social enterprises as well as small businesses.

The placements will be agreed with the tutor, the organisation and the learner, with the aim of undertaking specific projects or business problems to solve. Working in different organisations will broaden learners' experience of working with others in a variety of types of organisation and will consequently enhance the evidence they are able to present for this unit.

Prior to the placements, learners need to understand the features of different types of organisations. Learners can split into groups with each group researching the key features of the organisations, be they public, private, voluntary, franchises, etc. Learners should also research in terms of competitors, the sector in which the organisation operates, and its internal structure and function.

Prior to the placements, the centre must liaise with the employer and ensure that health and safety measures and insurance are in place and are appropriate. The centre should also ensure that they are satisfied with the organised programme of the placement and that the following are in place: an induction, and a set programme of role(s) for the learner, together with the appointment of a mentor who will have regular meetings with the learner.

The key to success in this unit is to ensure that learners undertake experiences that enable them to use problem-solving skills. Employers will need support on the types of work task that could be suitable, but these are likely to include specific projects requiring entrepreneurial skills, such as researching new markets or developing new ideas. Learners will benefit from working with experienced entrepreneurs and staff members in this capacity.

The centre must ensure that a tutor visits the learner as appropriate during the placements to discuss and review progress with both the learner and mentor, and to address any concerns or problems which may arise. Learners require supported time to plan, review and evaluate their work experience placements, and should be encouraged to be reflective throughout the whole process. They will need encouragement to collect a variety of evidence as they progress through their work experience. Evidence could include, for example, observations or witness statements from colleagues, supervisors or mentors, or even from customers, or where confidentiality is not an issue, completed work.

As part of the learning on this unit, and in order to prepare for work experience, learners could carry out skills development training for working with others. The importance of dress code, punctuality, business etiquette, and interpersonal skills should be emphasised. Role plays and videos could be used to illustrate how to create a positive image as well as workplace interactions.

## 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 delivery and assessment of this unit.

Topic and suggested assignments/activities	Hours
Tutor-led introduction to the unit and the programme of learning.	2.0
Learners research types of businesses or social enterprises, or tutor provides examples of suitable work placement opportunities. Learners research specific host organisations.	7.0
Learners research components of structure, function and competitors of host organisations and feed back to class.	7.0
Tutor-led consolidation of aspects of structure and function of businesses.	4.0
Preparation for assignment: <b>The Host Organisation (P1, P2, M1)</b> including individual learner work on features of host organisation.	8.0
Entrepreneur-led session on benefits of work placement and learning from experience and the expectations of a learner in the workplace.	2.0
Tutor-led group sessions on theory components of aims/objectives of placement.	8.0
Learners brainstorm skills and behaviours that might be needed during work experience and discuss in groups.	4.0
Learners meet their prospective employers and agree aims and objectives of the work placement assignment: <b>Setting Objectives (P3, P4, M2)</b> .	5.0 x 2
Entrepreneur-led session on importance of reviewing own work experience against objectives.	2.0
Learners keep a learning log during both work experiences. Assignment: <b>Active Entrepreneurship 1 (P5, M3)</b> .	40.0
Learner-initiated private study and preparation of assignment presenting results of personal development assignment: <b>Active Entrepreneurship 2 (P6, M3, D1, D2)</b> .	6.0
<b>Total learning time hours</b>	<b>100</b>

## Assessment

Evidence for this unit will be generated from work experience and the learners' reflection on the development of their own knowledge, understanding and skills. Assessment should be supported with detailed work placement reports, witness testimonies and, where appropriate, observations. Tutors should seek opportunities to observe learners at their placements wherever possible.

To achieve P1, learners will need to describe their host organisations, including structure and internal organisation. This means that, ideally, the chosen organisations need to be of sufficient size and complexity to have different functional departments. This may not be the case with a small entrepreneurial organisation. In these circumstances, learners would describe how the functions are combined within the structure. For P2, learners must identify competitors. If learners are researching social enterprises they should understand the different relationships with competitor organisations.

For P3, P4 and P5, learners should prepare objectives, demonstrate skills and maintain their log for **each** work placement. For P3, learners need to include evidence which demonstrates agreeing objectives and targets for the work placement activities. Such evidence should include an action plan for the activity/problem clearly setting out aims, objectives and targets, showing when these have been reviewed or completed. For P4, witness testimony from tutors, the work placement or from customers could provide evidence of the demonstration of skills. For P5, learners need to provide a reflective log or diary to monitor the progress

of their activities and development of their skills and behaviours in the workplace. It is envisaged that this log or diary will include details of meetings, working in teams, gathering information, problem solving etc, together with any copies of relevant documentation.

For P6, learners will present results of their experiences, particularly on their performance and progress to complete activities. Learners can combine their experiences of the two placements. This evidence would be suitable as either a written report or an oral presentation which must include copies of handouts, slides, and journal/diary notes. It would be useful to have both the mentor and the tutor in the audience.

To achieve merit grade (M1), learners will need to develop their work for P1 to include a deeper understanding and analysis of the sector within which the organisations operate. Learners should relate their understanding of the structure of the organisation to the way in which it functions. For M2, evidence from P3 will be developed, linked, and understanding shown by the use of appropriate examples.

For M3, evidence from P4 and P5 will be developed, linked, and applied using appropriate examples.

Distinction level work is characterised by the ability to use problem-solving skills, be innovative and think creatively. To achieve D1, learners should develop their ideas for merit grade and make an objective evaluation of how the work experience supported the development of entrepreneurial skills. D2 requires learners to evaluate their own contribution to the work placement organisations and it is envisaged that work placement activities will have been substantial enough for impacts to be assessable.

### 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, M1	The Host Organisation	A research portfolio prepared prior to working in the selected businesses.	Prepare a report describing the key features of the host organisations.

The following assignments should be conducted for each placement.

Criteria covered	Assignment title	Scenario	Assessment method
P3, P4, M2	Setting Objectives	Brief to include agreed work project.	Prepare a plan outlining agreed objectives and targets.
P5, M3, D1	Active Entrepreneurship 1	Keeping records of projects carried out.	Prepare a reflective practice journal on skills and behaviours.

The following assignment should refer to both placements.

Criteria covered	Assignment title	Scenario	Assessment method
P6, D2	Active Entrepreneurship 2	Brief to include outcome of activity and own contribution in each work placement.	Deliver a presentation on own contribution to each work placement.

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

This unit forms part of the BTEC Enterprise and Entrepreneurship sector suite. This unit has particular links with:

Level 2	Level 3
The Entrepreneurial Mindset	Working as an Intrapreneur

This unit also links to the following National Occupational Standard at Level 2 in Understanding Enterprise:

- Unit UE6 – Planning for success.

### Essential resources

The completion of this unit depends on suitable learner placements with appropriate projects to undertake or business problems to solve. Learners must have access to library and research facilities including the internet. Training videos may also be useful for this unit, especially for the interpersonal skills such as body language and communication.

### Employer engagement and vocational contexts

The selection of a suitable work placement organisation for completion of this unit is essential. Centres should develop links with organisations who are willing to provide work experience in terms of agreeing an appropriate and challenging work activity, as well as support and guidance for the learner.

### Indicative reading for learners

#### Textbooks

Avery C, Walker M and O'Toole Murphy E – *Teamwork is an Individual Skill: Getting your work done when sharing responsibility* (Berett-Koehler, 2001) ISBN 978-1576751558

Evans K, Unwin L, Rainbird H and Hodkinson P – *Improving Workplace Learning* (Routledge, New Edition, 2006) ISBN 978-0415371209

Munro A, Rainbird H and Hodkinson P – *Workplace Learning in Context* (Routledge, 2004) ISBN 978-0415316316

#### Journals and newspapers

*Business Review Magazine* (Phillip Allan Publishers – see [www.philipallan.co.uk](http://www.philipallan.co.uk))

*The Economist* and quality newspapers, especially the business sections

#### Website

[www.work-experience.org.uk](http://www.work-experience.org.uk) National Council for Work Experience

## Delivery of personal, learning and thinking skills (PLTS)

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 ...
<b>Reflective learners</b>	<p>P3 preparing a plan showing agreed objectives and targets for one activity in each of two work placements (RL2, TW1, SM3)</p> <p>P5 maintaining a reflective log to monitor the progress of the activity and development of own skills and behaviours (RL3)</p> <p>P6 presenting results of activities in a suitable format describing own contribution in the workplaces (RL6)</p>
<b>Team workers</b>	<p>P3 preparing a plan showing agreed objectives and targets for one activity in each of two work placements (RL2, TW1, SM3)</p>
<b>Self-managers</b>	<p>P3 preparing a plan showing agreed objectives and targets for one activity in each of two work placements (RL2, TW1, SM3)</p> <p>P5 maintaining a reflective log to monitor the progress of the activity and development of own skills and behaviours (SM2).</p>

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 ...
<b>Independent enquirers</b>	<p>identifying and clarifying which problems have to be resolved in order to succeed at the project/problem (IE1)</p> <p>carrying out research into the structure and function of organisations (IE2)</p> <p>supporting their self-assessment of own contribution with reasoned arguments and evidence (IE6)</p>
<b>Creative thinkers</b>	<p>generating ideas for work activities (CT1)</p> <p>connecting their own and others' ideas and experiences in inventive ways (CT3)</p> <p>trying out alternative approaches to the business problem (CT5)</p> <p>recognising the need to adapt their behaviour and styles of communication with different colleagues (CT6)</p>
<b>Reflective learners</b>	<p>assessing themselves after the work experience activity (RL1)</p> <p>preparing for the work activity; reflecting on their performance as team member by evaluating these experiences to inform future progress (RL5)</p>
<b>Team workers</b>	<p>reaching agreements and managing discussions while taking part in a work activity (TW2)</p> <p>taking responsibility for the success of the activity, showing confidence in themselves (TW5)</p>
<b>Self-managers</b>	<p>anticipating, taking and managing risks (SM4)</p> <p>managing their emotions, and building and maintaining relationships (SM7)</p>
<b>Effective participators</b>	<p>preparing a plan showing agreed objectives and presenting a persuasive case for action during discussions (EP2)</p> <p>proposing practical ways forward (EP3)</p> <p>identifying improvements that would benefit others as well as themselves (EP4) and trying to influence others (EP5).</p>

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	researching types of organisation, their structure and function researching the work placement organisation
<b>ICT – Develop, present and communicate information</b>	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> <li>• text and tables</li> <li>• images</li> <li>• numbers</li> <li>• records</li> </ul>	creating a presentation to deliver to selected audience on work experience outcomes
Bring together information to suit content and purpose	preparing their learning journal/log/diary
Present information in ways that are fit for purpose and audience	maintaining their learning journal/log/diary
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	discussing ideas on types of organisation presenting the outcomes of their work experience to an audience completing work placement activities
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	researching features of placement organisation
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	maintaining learning journal/diary/log.



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## Further information

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For further information please call Customer Services on 020 7010 2188 (calls may be recorded for training purposes) or email: [TeachingBusiness@pearson.com](mailto:TeachingBusiness@pearson.com)

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## Useful publications

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Further copies of this document and related publications can be obtained by contacting us.

Related information and publications include:

- *Accreditation of Prior Learning* available on our website: [www.edexcel.com](http://www.edexcel.com)
- Functional Skills publications – specifications, tutor support materials and question papers
- the current Edexcel publications catalogue and update catalogue.

Publications concerning the Quality Assurance System and the internal and external verification of vocationally related programmes can be found on the Pearson website and in the publications catalogue.

NB: Most of our publications are priced. There is also a charge for postage and packing. Please check the cost when you order.

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### How to obtain National Occupational Standards

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Enterprise House  
18 Parsons Court  
Welbury Way  
Aycliffe Business Park  
DL5 6ZE

Telephone: 0845 467 3218  
Website: [www.sfedl.co.uk](http://www.sfedl.co.uk)

# Professional development and training

Pearson supports UK and international customers with training related to BTEC qualifications. This support is available through a choice of training options offered in our published training directory or through customised training at your centre.

The support we offer focuses on a range of issues including:

- planning for the delivery of a new programme
- planning for assessment and grading
- developing effective assignments
- building your team and teamwork skills
- developing student-centred learning and teaching approaches
- building key skills into your programme
- building in effective and efficient quality assurance systems.

The national programme of training we offer can be viewed on our website ([qualifications.pearson.com](http://qualifications.pearson.com)). You can request customised training through the website or by contacting one of our advisers to discuss your training needs.

The training we provide:

- is active – ideas are developed and applied
- is designed to be supportive and thought provoking
- builds on best practice.

# Annexe A

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## Codes

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The Regulated Qualifications Framework code is known as a Qualification Number (QN). This is the code that features in the DfE Funding Schedules, Section 96 and Section 97, and is to be used for all qualification funding purposes. Each unit within a qualification will also have a unit code.

The qualification and unit codes will appear on the learner's final certification documentation.

The QNs for qualifications in this publication are:

500/6247/5      Pearson BTEC Level 2 Certificate in Understanding Enterprise and Entrepreneurship

500/6244/X      Pearson BTEC Level 2 Diploma in Understanding Enterprise and Entrepreneurship.



# Annexe B

## Mapping with National Occupational Standards

The following grid maps the knowledge covered in the BTEC Level 2 Certificate/Diploma in Understanding Enterprise and Entrepreneurship mandatory units against the components of the Level 2 NOS in Understanding Enterprise

### KEY

Letter = BTEC unit maps to 'what learners need to know' component in the NOS unit

Number = BTEC unit maps to 'what learners need to understand' component in the NOS unit.

Unit title	Learning outcome	Assessment criteria	UE1	UE2	UE3	UE4	UE5	UE6	UE7
Unit 1: The Entrepreneurial Mindset	1 Know the mindset and skills required to be a successful entrepreneur.	P1 Describe the mindset and skills needed by successful entrepreneurs to plan and run a business.	3, 4	5					
		P2 Describe how successful entrepreneurs manage risk.		7					
	2 Be able to develop mindset and skills for business.	P3 Conduct a skills audit of self, identifying areas for improvement (RL1).	b, d						
		P4 Describe how skills required for the business will be resourced.						c, d, 4	
		P5 Plan own personal development (RL2/SM2/SM3).							
		P6 Review own progress against the plan (RL3/RL5).	4						

Unit title	Learning outcome	Assessment criteria	UE1	UE2	UE3	UE4	UE5	UE6	UE7		
Unit 2: Creating a Vision for your Business Plan	1	Understand why business ideas are successful.	P1	Explain why business ventures are successful (IE3).	3	1,2,3,4	3	2			
	2	Be able to assess the suitability of a business idea.	P2	Generate an idea that could be implemented, giving reasons.		a					
			P3	Explain the reasons the other ideas were rejected.		e					
	3	Be able to articulate a coherent vision for a new business idea.	P4	Plan how an idea could develop over a period of at least two years (CTI).	c	b/c				a	
	4	Be able to use sources of help and support in developing a new business.	P5	Describe sources of advice and guidance, and networks that can help in developing a new business.					1,2		
			P6	Consult trusted sources and networks for information and to help make decisions.	e,2			a	a,b		
			P7	Explain how businesses can use sources of advice and guidance, and networks, to support business development.					3		

Unit title	Learning outcome	Assessment criteria	UE1	UE2	UE3	UE4	UE5	UE6	UE7	
Unit 3: The Business Environment	1 Know how the current business environment may impact on a microbusiness.	P1 Identify sources of information about the current business environment.								
		P2 Describe how a new microbusiness relates to the business environment.					3			
	2 Understand current social, technological and environmental trends.	P3 Explain current trends and how these will impact on a micro start-up business.								
		P4 Describe potential ethical concerns of customers about a micro start-up business.								
	3 Be able to select a format and business model for a microbusiness.	P5 Justify a format and business model for a micro start-up business.						a, b		
	4 Understand the principles of employing and managing others.	P6 Identify the main provisions of employment law which affect a micro start-up business.								
		P7 Explain how you will lead a new business over the next two years (CT1/CT3).							e	

Unit title	Learning outcome	Assessment criteria	UE1	UE2	UE3	UE4	UE5	UE6	UE7
Unit 4: Researching your Market	1 Be able to carry out market research.	P1 Describe the market research needs for a micro start-up business.			l				
		P2 Plan market research for start-up business.							
		P3 Conduct primary and secondary market research for a micro start up business (IE1/IE2).			a				
	2 Be able to analyse and interpret data about a market.	P4 Analyse marketing data using appropriate analytical techniques.							
		P5 Draw conclusions from market research which include customer needs (IE4).			b,2				
		P6 Apply conclusions from market research in planning for ongoing success of a micro business.			c,i			a	

Unit Title	Learning outcome	Assessment criteria	UE1	UE2	UE3	UE4	UE5	UE6	UE7
Unit 5: The Marketing Plan	1 Understand marketing concepts used by businesses.	P1 Assess own business proposition using marketing concepts (CT3).							
		P2 Choose and justify types of promotion for a micro start up business drawing on evidence of success or failure in the marketplace.			3,4				
	2 Be able to plan marketing and promotion.	P3 Plan marketing for a micro start-up business that is relevant to customer needs (SM2/SM3).			e,3				
		P4 Plan promotional activity for a micro start-up business or social enterprise, that is appropriate for customer groups (SM2/SM3).			e				

Unit title	Learning outcome	Assessment criteria	UE1	UE2	UE3	UE4	UE5	UE6	UE7			
Unit 6: Financial Modelling and Forecasting	1	Be able to use terminology used for financial planning.	P1	Use financial terms accurately in a micro start-up business plan.						3		
	2	Know about sources of finance.	P2	Describe suitable sources of finance for a micro start-up business or social enterprise.						a, b		
	3	Be able to produce a robust financial model for a microbusiness.	P3	Input data accurately using business planning software for micro start-up business.							4	
			P4	Estimate the financial implications for the business model of a micro start-up business (IE4).							c, d, 1, 2	
			P5	Produce a robust financial model for a micro start-up business.	f							d, e, 2
			P6	Describe how success in the business will be measured.	f						a, 4	
	4	Be able to develop a costed supply chain.	P7	Describe the tools and resources needed for the business.						c		
			P8	Describe how tools resources will be obtained.							c, d, 4	
			P9	Develop a costed supply chain for a selected product or service.								

Unit title	Learning outcome	Assessment criteria	UE1	UE2	UE3	UE4	UE5	UE6	UE7		
Unit 7: Preparing and Pitching a Business Plan	1	Be able to develop a business plan for a micro start-up business.	P1	Produce a structured business plan that contains an analysis of risks and sufficient information for a funding decision (SM2).		f, 6				2	
	2	Be able to pitch a business plan.	P2	Pitch a business plan to a potential sponsor (EPI).			d	e			
	3	Be able to review a business plan.	P3	Review own business plan, drawing on views of others.	g			b, c, f			
			P4	Make recommendations for improvement of own plans.	g	g		d			
	4	Be able to construct a viable project plan to bring a product to market.	P5	Plan to bring a product to market (SM2).							



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