



Unit 1: Exploring Business

Delivery guidance

In this unit, learners will gain an overview of how businesses are structured, how they communicate, the environments in which they operate and the key influences on business success. Learners will be introduced to the concept of stakeholders and will develop an understanding of the roles of the various stakeholders involved in business organisations.

This unit will give learners an understanding of the purposes, features, structures and operating environments of business organisations. It will also look at how businesses adapt their strategies and tactics in order to survive.

Key areas of study will include:

- the features of different business organisations and what makes them successful
- how businesses are organised
- the environment in which business organisations operate.

Approaching the unit

As this is an introductory unit, no previous knowledge is assumed. Learners will bring their knowledge of business through their experiences as consumers, customers or perhaps as employees.

Learners will develop knowledge of different forms of business ownership and will consider which type of ownership is appropriate for different forms of business. They will be introduced to the concept of business aims and objectives and understand how, and why, they are important to a business. They will look at how these aims and objectives may change over time. Learners will be introduced to profit and not-for-profit business models. They will look at different types of businesses (e.g. those providing products and those providing services), working in different sectors. They will explore the role of the main functional areas within a business and how these functions develop into distinct specialist areas or departments as a business grows in size.

The unit introduces the concept of stakeholders. Learners will develop an understanding of the needs and interests of different internal and external stakeholders involved in a business, and the influence they have on the way in which a business conducts its activities. They will look at internal and external factors which impact on the way businesses are run.

The unit encourages learners to take the knowledge they have acquired from the teaching, and investigate how this relates to businesses in the real world. The internal assessment will draw on the learners' research and assess what they have learned, in an applied context.

On completion of this unit, learners will have developed analytical and evaluative skills by conducting research on real businesses and applying this in their assignments. The skills and knowledge acquired by completing this unit will be transferable to further learning in the qualification, in terms of being able to apply business knowledge in other units. It will also assist learners entering the world of work in terms of understanding how businesses operate.

Delivering the unit aims

Learning aim A explores the features of different business organisations and what makes them successful. You could introduce the topic by asking learners to share stories about their knowledge and experiences of working within different businesses, and discuss what they believe contributes to the success of a business. You could then give initial input for your learners on the different types of business ownership and how these relate to the operation of a business.

Learners could carry out secondary research by looking at businesses' websites, many of which have 'About us' pages that contain useful information regarding activities, ownership and size. Primary research, consisting of independent or accompanied visits to different businesses – preferably those with an international presence – would be useful. It is important that learners understand the influence of a range of stakeholders, e.g. managers, employees, owners, suppliers, lenders, pressure groups, interest groups, as well as the importance of appropriate communication with each stakeholder type. A visiting speaker could help learners understand stakeholder involvement and the importance of managing stakeholder relationships and expectations. Further input by the speaker or the teacher could highlight the competing needs and interests of different stakeholder groups and how these may be accommodated by a business.

Learning aim B investigates how businesses are organised. You could invite guest speakers from local, national and international businesses to present and discuss the structure, organisation and functional areas that exist in their businesses. Alternatively, give case studies of appropriate businesses to learners to research. Learners could carry out website research on the mission, vision and values of well-known businesses in the private and not-for-profit sectors. This would help to prepare them to write their own mission statements and SMART objectives for businesses in both sectors. Learners may be able to gather information from work experience placements or part-time jobs.

For Learning aim C, learners must develop an understanding of the environment in which business organisations operate. They should consider the external and internal environments, as well as the competitive environment. They must gain knowledge of the risks associated with innovation and understand how to carry out a situational analysis.

Learning aim C examines the environment in which business organisations operate. You could introduce the topic with a presentation explaining the key terms that might be used in the business environment. Learners could then take part in group discussions in order to clarify these terms further. In small groups, learners could go on to conduct research into, and become 'experts' on, the external, internal or competitive environments. Groups could either conduct research on each of these environments or they could be given appropriate case studies. New groups could then be formed, with each new group containing one 'expert' from each of the earlier groups. This would allow learners to share their knowledge with their peers. You could use case studies of different businesses to introduce learners to situational analysis tools. In small groups or pairs, learners could perform an analysis on a given business and report back to the class.

To complete this unit, your learners will need access to a range of research materials, which could include sources of information and tools on the internet, journals, magazines and books.



You can use a range of delivery methods in this unit, such as:

- discussions, e.g. class and small group discussions on the business environment
- individual or group presentations, e.g. covering stakeholders and their importance
- case studies illustrating enterprise for both well-known and lesser-known businesses
- videos, e.g. TED talks on innovation.

Group work is an acceptable form of delivery, but you must ensure that each learner produces sufficient evidence on their own for assessment.

You can involve local employers in the delivery of this unit by inviting them as:

- guest speakers
- members of the audience for learner presentations
- contributors to case study material
- providers of work experience for learners, and of business materials as exemplars
- mentors for learners.

Assessment model

Learning aim	Key content areas	Recommended assessment approach
A Explore the features of different business organisations and what makes them successful	A1 Features of business organisations A2 Stakeholders and their influence	A report that examines the features of two contrasting business organisations, looking at how each is organised, how their structures enable achievement of their aims and objectives and the relationship and communication with stakeholders.
B Investigate how businesses are organised	B1 Structure and organisation B2 Aims and objectives	
C Examine the environment in which business organisations operate	C1 External environment C2 Internal environment C3 Competitive environment C4 Benefits and risks associated with innovation C5 Situational analysis	A report that examines the effects of the internal and external environment on a large business organisation and how the business has, and will, respond to changes.

Assessment guidance

This unit is internally assessed through two assignments. The first covers learning aims A and B, while the second covers learning aim C.

All learners must independently generate individual evidence that can be authenticated. The main sources of evidence are likely to be written reports or presentations. However, learners could also use written plans to produce a video report or an aural 'radio segment'. Learners should incorporate in-depth research, supported by a fully referenced bibliography.

Learners could also produce presentations. Suitable forms of evidence for a presentation are slides, preparation notes, scripts, cue cards, peer assessment records and an observation record. BTEC assessors could complete observation records, while learners or colleagues in placements or part-time work could complete witness statements. It should be noted that observation records alone are not sufficient sources of learner evidence: they must be supported by the original learner-generated evidence. Assessors should remember that they are assessing the content of the presentation against the learning aim, and not the skill with which the presentation was delivered.



Getting started

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

Unit 1: Exploring Business
Introduction Begin with a group discussion exploring examples of businesses known to learners. Follow up with an outline of the unit's learning aims.
Learning aim A: Explore the features of different business organisations and what makes them successful
<ul style="list-style-type: none">• For learning aim A, learners need to explore features of business, who their stake-holders are, what their purpose is and what makes them successful.• Introduce the topic by asking learners to create a table focusing on two individuals they know who work (e.g. parents, carers, family members or friends who have a job). In a table they could create headings (e.g. the name of the business or company, whether it is large or small, the location, how long they have worked there). Once the table is complete, a class discussion could take place looking at the different types of organisations where people are employed. These organisations could be divided by ownership into sole traders, partnerships, public limited companies and private limited companies.• Divide the class into groups and give each group a product with which they are familiar, such as a chocolate bar or a mobile phone. The group should research the company and the product in order to get an overview of how every part of the business interconnects. Learners could research why Mars Incorporated remains the largest private limited company in the world, why a business might change its form of organisation, or why it might not change.• Individual learners could be given a different type of business to investigate, such as a sole trader, partnership, ltd or plc. Using the internet or textbooks, learners could write down the features of that type of business and present it in the form of a leaflet.• Learners could develop their skills of analysis and evaluation by looking at the implications of operating each type of business and the factors each depend on in order to be successful in local, national and international markets.• Using a mock brief which describes the characteristics of a specific type of business, ask learners to identify what form of business is described in the brief and how it operates. They should consider whether the business might change its form of organisation over time, why it might change, what the implications are of changing in terms of factors such as liability, workforce satisfaction, need for finance, competition etc. Learners could do this in groups and present their findings. You should identify areas for application to international businesses which might be relevant.• Learners need to develop an understanding of stakeholders and the influence they have over business organisations. Ask learners to work in groups to list all the stakeholders they can think of, and consider what influence each stakeholder has on a business. Follow this with a group discussion during which learners are encouraged to share their ideas.• Learners will need to investigate methods of communication with stakeholders. Ask learners to work individually to research each method of communication and detail the circumstances under which a business could use these methods to communicate to stakeholders.

Learning aim B: Investigate how businesses are organised

- For learning aim B, learners are required to develop an understanding of how businesses are organised and what their aims and objectives are.
- Ask learners to work in small groups to research and gather information on the structure and organisation of a number of businesses. This should include the functional/operational areas, e.g. human resources, research and development, sales, marketing, purchasing, production and quality, finance, customer service, IT and administration. Learners could carry out their research online or through visits to local businesses, ideally with an international presence. Learners could visit a number of contrasting businesses in the locality with a view to gathering information on a variety of business structure types.
- Learners could research a local medium-sized business, using a mind map concept. Ask them to identify the different functional areas and think about the role of each of these areas.
- Have learners consider why there are different functional areas within a business. Why is this important? Why might some functional areas be more important to some businesses than others?
- Give learners three international business case studies (one private, one public and one not-for-profit) which detail the aims of the businesses, including their mission statements. Lead the class in a discussion to ensure that learners understand the difference between aims and objectives. Split the class into three groups (private, public and not-for-profit), give them the different objectives behind the aims of the businesses (e.g. value for money, market leadership, healthcare) and ask them to match the aim with the objective.
- Looking at a set of objectives, the whole class could work together to identify whether the objectives are SMART. Give learners a list of objectives and ask them to rewrite them into SMART objectives.
- For assessment purposes, learners should research two international businesses, looking at each business's ownership, stakeholders, purpose, sector of operation, scope of activities and reasons for success. Encourage learners to research the structure, organisation and communication of these businesses, as they need to report on how the structure allows the business to achieve its aims and objectives. They should also be able to evaluate the reasons for the success of each business.

Learning aim C: Examine the environment in which business organisations operate

- Begin by introducing the environments in which businesses operate, including the political, economic, social, technological, environmental and legal environments. You should also cover the competitive environment, looking at competition from rival businesses. Explain why managers need to understand the capabilities of their business and the needs of their customers, as well as the business environment in which they operate. Organise learners into pairs to undertake a competitor analysis on behalf of a specific business. The results of competitor analyses in different market sectors could then be compared to reinforce knowledge and understanding.
- Learners need to develop an understanding of the different business laws that have been created to protect businesses, employers, employees and consumers. In pairs, learners could produce an information leaflet for new businesses which are about to open. They should detail no more than five laws that the new business will have to abide by, why these laws are important, and the impact the laws have on the business. Learners are only required to have a general understanding of the laws affecting business, and may need some help and direction when interpreting the content of the business laws.



- Present the learners with some external environment factors and ask them to consider how these factors could impact on a business's objectives over a given time period. How might both the external environment factors and the business's objectives have changed over a five-year period? What would the impact be on a business? In pairs, give learners three different external factors to discuss. Learners report their thoughts back to the whole class to enable a group discussion to take place. Using this knowledge, learners then create an individual newspaper article, discussing the different external factors and their impact on the business.
- Outline the process and types of situational analysis, such as PESTLE, SWOT, 5Cs and Porter's Five Forces, and look at how important they are in providing vital insight into the business environment. Give case studies of each type of analysis against different businesses for learners to review.

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

- This unit is an introductory unit. It is fundamental to, and supports, all other units in the programme.

Resources

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

Textbooks

Coupland-Smith, H, Phillips, J, et al – *BTEC Level 3 National Business Student Book 1* (Pearson, 2016) ISBN 9781292126241.

A student book covering the new BTEC Level 3 NQF course. *Unit 1: Exploring Business* is covered in full.

Journals

Business Review (Philip Allan Magazines)

A journal designed for Business Studies students. It includes relevant theoretical articles as well as information on companies and markets.

The Economist

A weekly economics and business journal that has regular articles and features about issues related to public sector businesses and the economy. It also has an extensive archive of relevant materials.

Videos

The BBC has some useful videos on economic change on the GCSE Bitesize part of its website. They can be found by searching online for 'BBC Bitesize GCSE' and then searching the Bitesize website for 'changes in the economy'.

Ted Talks is a great online resource with videos of short talks (18 minutes or less) covering a wide range of topics including business and global issues. It can be found by searching online for 'ted talks'

Websites

The BBC News Website has up-to-date information on the news and the UK and global economy. It can be found by searching online for 'BBC news' and then looking for the business news section on the website.

Biz Ed is a useful online magazine that provides business education resources, including case studies, simulations and worksheets. It can be found by searching online for 'Biz Ed'.

Business case studies on topics such as the business environment, the economy, ethics and external influences can be found by searching online for 'business case studies'. The site also has a selection of theory notes aimed at learners.

The Economist has a full archive of its articles about the UK economy. A subscription is required for full access. It can be found by searching online for 'The Economist'.



The UK government portal for government departments and policies has a useful website which can be found by searching online for 'gov UK'.

Investopedia is an educational website that features useful articles. It can be found by searching online for 'investopedia'.

Mindtools is a helpful website with tips on developing good communication skills. It can be found by searching online for 'mindtools'.

The Times provides up-to-date information and legal cases, including a Student Law area. A subscription is required. Search online for 'The Times' and then search their website for the law section.

Tutor2U is a useful website with resources and revision materials, as well as links to other sources of information. It can be found by searching online for 'tutor2U'.

Pearson is not responsible for the content of any external internet sites. It is essential for tutors to preview each website before using it in class so as to ensure that the URL is still accurate, relevant and appropriate. We suggest that tutors bookmark useful websites and consider enabling students to access them through the school/college intranet.