



Unit 34: Launch and Run an Enterprise

Delivery guidance

Approaching the unit

This unit allows your learners to experience what it is like to launch and run their own enterprise. This is therefore a very practical unit and will enable your learners to understand what is involved in running their own enterprise, as this could provide a viable employment route for them once completing their qualification.

You will need to give learners the facilities and the time for them to run their enterprise, comprising around half the guided learning hours for this unit. The building of creativity, problem-solving and planning skills is vital to completing this unit successfully.

The launching and running of the enterprise can be done as a team exercise; however, each learner will need to produce their own individual evidence as to the achievement of the criteria.

You can introduce learning aim A by organising a guest speaker to talk to learners. This could be a local entrepreneur who has set up their own business. Ask them to explain to the learners the process that they went through to set up their enterprise and the research that they undertook, and ask them to talk about:

- their target market and how they identified their customers' needs
- how they identified gaps in the market and opportunities for their products or services
- how they calculated their potential demand
- how they considered the economic climate, risks and their competitors
- how they decided on whether the enterprise would be financially feasible.

Learners can then use this information to help inform them in their planning for their own enterprise and the importance of this necessary step when setting up their own enterprise.

You could set up the opportunity for learners to visit a local bank and access their business plan templates so that learners are aware of what they need to consider when completing their plan. Additionally, you could arrange a talk from one of the local small business banking managers, which would help to inform learners what to include when completing their own business plan.

Similarly, for learning aim B, learners will again need access to appropriate research tools so that they can identify the wants and needs of customers and how this informs a marketing strategy. You could set up a discussion board using Padlet (or other appropriate platform) and ask learners to discuss the importance of researching and identifying the wants and needs of their customers. Learners could then research different methods of identifying their customers' needs and wants and decide how they could undertake this.

Learners will need to consider what makes a marketing strategy suitable. You will need to give learners appropriate case study material so that they can consider a high-level marketing strategy encompassing an appropriate plan for the 4Ps. Apple is a good example for this, given the size of its product launches, Apple shops, associated services and varying prices and high competition in the market from other companies supplying similar goods and services, such as Samsung.



You could then ask learners to create a report or recording of their initial ideas for a marketing strategy for a proposed business and how they believe this will appeal to the target market.

To introduce learning aim C, you could ask learners to propose some enterprise ideas to the class, then evaluate and give feedback on the enterprise ideas of others in the group. Ensure that each member gives constructive feedback. This could be done through quizzes and polls, e.g. using Socrative/Kahoot, or through a questionnaire such as SurveyMonkey that learners complete based on each other's ideas. Learners could revise their enterprise ideas, taking into account the feedback they have received. It is also important for you to contribute to this exercise for each learner by giving them constructive criticism and feedback. If possible, local entrepreneurs or small business bank managers could also feed into this process by reviewing learners' enterprise ideas.

You could encourage learners to work with one of several organisations that can support learners, e.g. through enterprise competitions.

Using, for example, Kahoot/Socrative, you could set up a poll or discussion board to gather learners' ideas as to what research needs to be undertaken before setting up an enterprise to run. You should ensure that this covers the legal format, the associated benefits and drawbacks of each, the resources that they will need, and how they will monitor the performance of their enterprise over a period of time.

For learning aim D, learners will need to understand how feedback gained from customers can be used to measure success and inform actions. You will need to ensure that they understand how to gain sufficient and appropriate customer feedback. This could be in the form of questionnaires and evaluations, either given at the time of purchase, or emailed post-purchase.

Explain how projected financial data produced in a business plan can be analysed against actual financial performance when detailing the outcomes of the enterprise. You will need to ensure that learners are aware of the need to keep up-to-date financial information during the running of their enterprise, including when they have met key targets as per their business plan, as they will need to analyse their cash flow, income statement and statement of financial position.

You will need to ensure that learners are prepared to present the outcomes of their enterprise to an audience. This audience could be peers, local business owners, local small business bank managers or mentors. Please also consider the use of parents who may also hold some of these roles. To help learners you could show examples of good and poor reports and ask them to analyse these. In addition, showing them clips of good and poor business presentations from programmes such as *Shark Tank*, *Dragons' Den* or *Lions' Den* could serve to prepare learners for their presentation. You could put these clips on Socrative or another appropriate online sharing app and create a poll or discussion board for learners to comment on what is good practice and what is poor practice.



Assessment model

Learning aim	Key content areas	Recommended assessment approach
A Research and develop a plan to launch an enterprise	A1 Research an opportunity for a product or service A2 Research the financial feasibility of the enterprise A3 Develop a plan for the enterprise	A clear and concise plan for a proposed enterprise that would be appropriate for a potential investor. The plan will give an overview of the enterprise idea, its feasibility, and show knowledge of the market, figures and forecasts together with the risks and opportunities involved, including a marketing plan outlining the strategies to be used to launch the enterprise.
B Develop a marketing strategy to launch the enterprise	B1 Research information to identify the needs and wants of customers B2 Marketing strategy	
C Run an enterprise	C1 Enterprise set-up C2 Resources C3 Performance and monitoring	A report, including financial data and customer feedback, evaluating the enterprise. Appendices to the report will include: a diary/log of day-to-day activities carried out while running the enterprise together with appropriate observation records/witness statements, weekly accounts.
D Review the outcomes of the enterprise	D1 Use financial data D2 Customer feedback D3 Create and present final report	

Assessment guidance

This unit is assessed internally. The recommended assessment is through two internal assignments – one for learning aims A and B, and one for learning aims C and D. combined.

An assignment is a distinct activity, completed independently by learners, that is separate from teaching, practice, exploration and other activities that learners complete with direction from tutors.

All learners must work independently and generate their own evidence towards the achievement of the learning aim(s) and this must be appropriately authenticated. Due to the practical nature of this unit, the enterprises can be run in groups; however, each learner should play a significant role in the running of the enterprise to ensure individual achievement of the assessment criteria.

The unit specification suggests a plan for learning aims A and B and a report for learning aims C and D. Learners should ensure that all research is fully referenced with a bibliography.

For the assessment of learning aims A and B, learners are recommended to produce a clear and concise business plan based on research into an appropriate enterprise opportunity for a product or service. This research should include its financial feasibility.

This plan should include an executive summary, the proposed legal structure and operation of the enterprise, its financial requirements, a summary of its market and competition, and financial and non-financial performance measures.

The business plan should provide an outline of the product or service, and include a marketing strategy to launch the enterprise. This should be based on and supported by research of the wants and needs of its potential customers, and illustrate how it will fulfil these. It should consider how the product or service links to the target market and market segment, pricing strategies and tactics, how technology will be utilised to promote the product or services, and how it will be distributed.

The appendices should include evidence to support the business plan, e.g. the personal profile of the owner, decision-making and reporting structures, and sources of advice.

For the assessment of learning aims C and D, learners must set up and participate in the running of an enterprise. You may wish to consider participating in an enterprise competition to help with the launching and running of learners' enterprises, as the organisations will sometimes also provide business mentors.

Learners should complete a report on the outcomes of the enterprise that will be presented to an audience. The report should be well-structured and suitable for the given audience. It should include a rationale for the enterprise, financial data, customer feedback and appendices including a log of the day-to-day running of the business, showing decisions made and including records of practical activities completed by the learner.



Getting started

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

Unit 34: Launch and run an enterprise
<p>Introduction</p> <p>Begin by providing the learners with an overview of the unit, using a group discussion. You could include what they will learn and how they will be assessed. You can then outline the learning aims of the unit.</p>
<p>Learning aim A – Research and develop a plan to launch an enterprise</p> <ul style="list-style-type: none">• Give a presentation on how and why a business would carry out research before launching a new enterprise.• Lead a discussion on businesses in the locality.• Learners could then carry out independent research, e.g. by visiting the local high street, or alternatively you could show pictures or Google Earth images of the high street and share these. The purpose of this is for learners to consider any potential enterprise opportunities. Learners may also consider online ventures, e.g. production of an app, or 'clicks' enterprises, distributed only online. A survey of their peers and friends and family, e.g. using SurveyMonkey, or a poll, using e.g. Socrative/Kahoot, could provide a starting point for your learners to consider potential gaps in the market, customer needs and market trends.• Give a presentation on using research to find out about target markets, customer needs, gaps in the market, opportunities for a product or service, current market trends, potential demand, the current economic climate and potential risks and competitor analysis.• Extend learning by asking learners to prepare a brief report analysing the importance of research when deciding on an opportunity for a new enterprise.• Ask learners to carry out primary and secondary research of the local area to see what potential gaps in the market may exist. Ask learners to gather ideas for possible enterprises then present their findings back to the class. Learners could then complete polls on the most suitable ideas from each group and discuss their favourites.• Arrange for a guest speaker from a local bank to explain to learners how to calculate the amount of finance required to launch and run an enterprise.• Give a presentation on how to determine the financial feasibility of an enterprise. Follow this up with a knowledge quiz on key terms.• Give a presentation on break-even and margin of safety.• Work through examples of break-even then ask learners to draw a fully-labelled break-even graph that also shows the area of profit, area of loss, and the margin of safety.• Extend learning by asking learners to write a report on the case study business, suggesting how they could improve their break-even figure.• Give a presentation on business plans and their use.• Organise for learners to visit their local banks and obtain copies of their templates for business plans. These could then be looked at as a group and shared on the centre's intranet.

- Lead a discussion on the various parts of a business plan. You could then give learners a copy of a poor business plan and ask learners to assess it and add in what else needs to be included.
- Lead a discussion on the purpose and contents of an executive summary.
- Give a presentation on legal structure and operation. Ask learners to research the types of organisations and the legal format and ownership of the businesses in their local high street. Learners can then discuss the advantages and disadvantages of the legal structures of different types of start-up enterprise.
- Ask learners to research the competitors for these businesses and analyse the impact they may have on the running and success of their enterprise.
- Give a presentation on financing a business start-up.
- Ask learners to discuss possible sources of finance for different business types.
- Give a presentation on measures of success. Learners could then create a spider diagram of what they believe are success indicators, both financial and non-financial.
- Extend learning by giving learners case studies of small businesses, showing both financial and non-financial success factors, and asking them to write a report on which they feel to be the most suitable for the given businesses.
- Give learners examples of appendices of a variety of small businesses and ask them to discuss their purpose.
- Invite a guest speaker (a small business owner or local bank manager for small businesses) to talk to learners about business plans and sources of finance. Ask them to provide feedback on learner questions.

Learning aim B – Develop a marketing strategy to launch the enterprise

- Give a presentation on the needs and wants of customers and discuss the importance to a business of knowing these.
- Give a presentation on marketing strategies, including the 4Ps marketing mix, followed by a knowledge quiz to check understanding. Knowledge of marketing could be brought from other units within this qualification, e.g. Unit 2.
- Extend learning by asking learners to evaluate why a business would research the target market and its needs and wants, the market segment, size, structure, trends and competition before developing a marketing strategy.
- Ask learners to research and discuss businesses that have failed and discuss their findings with the class.
- You could then give learners a range of branded products to consider, e.g. a can of cola, a mobile phone. Ask them to consider the 4Ps for these products and the appropriateness of them and how the 4Ps link together for each product.
- Extend learning by asking learners to write a short report evaluating the appropriateness of the 4Ps for one of these products or services and share their findings with the class.
- Ask learners to research a variety of local businesses and find out about their USP, target market, pricing strategies, promotional mix, segmentation, use of technology and distribution channels and share their findings with the class.
- Learners could then discuss which marketing strategy they think is the best, and why.
- Ensure that all learners are prepared before handing out the assignment brief for assessment.



Learning aim C – Run an enterprise

- Ask learners to identify possible enterprise ideas and present these to the group for discussion. Ask learners to decide on the most appropriate legal format for each business.
- Give a presentation on the legal formalities for each of the types of format.
- Ask learners to work in small groups to carry out research into health and safety requirements for a given enterprise and share their findings with the class.
- Give a presentation on the resources necessary for the running of an enterprise, including:
 - Are premises necessary? If so, where should they be?
 - What equipment might be needed?
 - What might the personnel requirements be?
 - What might the financial requirements be?
 - What sources of finance are available?
- Give a presentation on meetings and reviews. Discuss the purpose of holding meetings and how often they should be held. Explain the difference between formal meetings, which are minuted, and informal group catch-ups. Ask learners to consider the importance of keeping a working diary showing when they should hold such meetings and for what purposes.
- Discuss why a business will hold regular reviews, then ask learners to create their own review survey that can be used when running their enterprise.
- Recap on promotion and ask learners to work in pairs to research the use of promotional materials.
- Extend learning by asking learners to analyse the strengths and weaknesses found and present their results to their peers.
- In groups, learners can create promotional materials for a business start-up and use peer reviews to make improvements.
- Give a presentation on sales forecasting. Lead a discussion on how and why a business would estimate future sales.
- Give a presentation on cash flow. Use practical activities to support learning.
- Lead a discussion on purchasing, and the influence of suppliers.

Learning aim D – Review the outcomes of the enterprise

- Give a presentation on how to review the financial data of an enterprise. This should include:
 - cash flow
 - variance analysis
 - income statements
 - statements of financial position
 - ratio analysis.
- Give learners worked examples and exercises to complete for each.
- Discuss how and why a financial review should be included when reporting on the outcomes of an enterprise to an audience.

- Extend learning by asking learners to write an analysis of the importance of reporting on this financial data.
- Give learners a case study/worked example of a statement of financial position for a small business start-up. Ask learners to comment on the figures.
- Extend learning by asking learners to write a short report explaining whether the business is financially sound.
- Give a presentation on the methods that can be used to obtain feedback from customers. This could include questionnaires from customers, asking customers to complete online surveys, e.g. on a tablet, feedback and comments from a social media page set up for the enterprise, focus groups and so on.
- Ask learners to create their own feedback forms and use peer review to improve these.
- Discuss the importance to businesses of obtaining and analysing feedback from customers.
- Give learners an example of a good and a poor formal report. Learners could then make comments on a discussion board, e.g. on Padlet (<https://padlet.com>), as to what needs to be included in a formal report. This should then inform their own reports.
- Show learners clips of good and bad presentations and ask them to discuss what makes a good presentation. This should prepare them for their own presentation to an audience of their peers, mentors, the local small business bank manager, parents who may be small business owners, or local entrepreneurs.
- Ensure that all learners are prepared before handing out the assignment brief for assessment.



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

This unit links to all other units in the programme. Most specifically, however, this unit links to:

- Unit 2: Research and Plan a Marketing Campaign
- Unit 3: Business Finance
- Unit 7: Business Decision Making
- Unit 33: Enterprise and Entrepreneurs

When studied with other qualifications in the study programme, learners can progress into higher education on combined courses. Learners could also progress on to higher apprenticeships in areas such as business administration, marketing, accounting, sales or enterprise. This qualification will also give learners the skills to enter self-employment.

Resources

In addition to the resources listed below, publishers are likely to produce Pearson-endorsed textbooks that support this unit of the BTEC Internationals L3 Qualifications in Business and in Enterprise and Entrepreneurship. Check the Pearson website (<http://qualifications.pearson.com/endorsed-resources>) for more information as titles achieve endorsement.

Textbooks

Burns P, *Entrepreneurship and Small Business* (4th edition), Palgrave 2016, ISBN 9781137430359 – outlines good management practice for learners and encourages and develops entrepreneurial skills. Suitable for higher-level learners.

Deakins D and Freel M, *Entrepreneurship and Small Firms* (6th edition), McGraw-Hill Higher Education, 2009, ISBN 9780077121624 – provides a thorough coverage of entrepreneurial and small firm theory, concepts, evidence and practice. Suitable for higher-level learners.

Journals

Business Review (Phillip Allan Magazines) – a journal designed for Business Studies learners that include relevant theoretical articles, as well as information on companies and markets

The Economist – The Economist print edition is a weekly economics and business journal that has regular articles and features about issues related to the economy. It has an extensive archive of relevant materials.

EBEA – Economics and Business Educators Association produces magazines for business, economics and enterprise educators in order to continually drive up standards.

Videos

Episodes of the Canadian version of Dragon's Den (www.cbc.ca/dragonsden/episodes)

TED-Ed offers a variety of relevant education videos (<http://ed.ted.com>)

TED offers online videos of short, powerful talks (18 minutes or less) covering almost all topics (www.ted.com)

Episodes of The Apprentice (<http://www.bbc.co.uk/programmes/b0071b63>)

Episodes of Shark Tank (<http://abc.go.com/shows/shark-tank>)

Podcasts

www.eofire.com – Entrepreneurs on Fire.

<http://helpmybusiness.com> – Help My Business is a free, weekly web TV show that helps entrepreneurs and small business owners to build a better business.

Websites

<http://www.cnbc.com/2015/09/19/10-oddball-us-inventions-that-reaped-millions.html> – Quirky ideas that reaped millions.

www.deborahmeaden.com – Deborah Meaden’s website with examples of projects funded by her investment.

www.entrepreneur.com – Online entrepreneur magazine, also available as an app on iTunes.

www.gew.co – Global Entrepreneurship Week – world’s largest celebration of the investors and job creators who launch start-ups that bring ideas to life, drive economic growth and expand human welfare.

https://www.google.co.uk/intl/en_uk/earth/ – images of areas learners could use to find gaps in the market.

<https://www.indiegogo.com/> – Indiegogo is the world’s largest crowdfunding organisation.

<https://www.kickstarter.com/> – Kickstarter is a global crowdfunding platform.

<https://www.lepnetwork.net/> – Local Enterprise Partnerships website – information on Enterprise Zones, Growth Hubs and Enterprise libraries.

<http://www.marketingdonut.co.uk/marketing/marketing-strategy/your-target-market/six-steps-to-defining-your-target-market> – Marketing donut helps learners to define their own target market.

<http://ofn.org/what-cdfi> – Community development financial institutions (CDFIs) are private financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth and other disadvantaged people and communities join the economic mainstream.

<http://panmore.com/apple-inc-marketing-mix-4ps> – Apple Inc’s 4Ps.

www.slideshare.net – Slideshare has a number of resources, including coverage of entrepreneurship.

<http://www.slideshare.net/OmarHussein3/report-writing-29015253> – Slideshare presentation on report writing.

<https://www.tubestart.com/> – Tubestart is the crowdfunding platform for all budding YouTubers.

<http://www.ukbusinessangelsassociation.org.uk/> – UK Business Angels Association is a trade association providing funding to start-up businesses.



<http://uk.businessinsider.com/strategies-coca-cola-used-to-become-a-famous-brand-2015-6?r=US&IR=T> – An article explaining the strategies that Coca-Cola used to become one of the world's most recognisable brands.

www.zopa.com – Peer-to-peer lending site.

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.