



Unit 35: Survival and Growth

Delivery guidance

Approaching the unit

Your learners are likely to have chosen to study this BTEC National programme because they have an interest in, or desire to start up their own business. This unit will help learners to develop an understanding of how innovation is essential for enterprises to grow and survive in a competitive market. Learners will study the factors that influence the survival of enterprises and consider the strategies that can influence their growth and future direction. They will also investigate the reasons why enterprises fail, looking at both internal and external factors in the business environment.

Learners should be encouraged to research and learn about enterprises and look at case studies and examples they have studied in previous units. They should look at the factors that influence survival and failure. Encourage them to explore the ways in which growth can be measured and growth strategies, plus the exit strategies that can be considered by the owner of an enterprise.

To complete this unit your learners will need access to a range of research materials, which could include the internet, journals or magazines and books. You can use a range of delivery methods in this unit, for example:

- discussions – class and small group discussions on enterprises that have survived, and those that have failed individual or group presentations
- case studies – illustrating survival and growth and leading to practical tasks
- visits to local businesses or guest speakers
- video – providing talks.

Group work is an acceptable form of delivery, but you must ensure that learners individually produce evidence that is sufficient for assessment.

Delivering the learning aims

For learning aims A (explore the factors which influence the survival of an enterprise) and B (examine the ways in which business growth can be measured), you can introduce the topics by using real examples of enterprises that have survived, and those that have failed. Learners can share their knowledge of different enterprises, and what they believe contributes to their survival and growth. Look back at examples used in units you have already covered and refer to examples that learners are familiar with.

Ask learners to identify some of the physical and human resources that an enterprise would need and discuss why these resources have to be well managed. Case studies featuring appropriate enterprises can be provided to learners for them to interrogate.

In small groups, your learners can then carry out secondary research, using the internet or other sources, of enterprises that have survived and grown. This could be followed by primary research consisting of independent or accompanied visits to different sized enterprises in the local area



that have been set up by entrepreneurs. This will help learners to prepare a report on success and growth. Small groups or pairs would be most suitable for carrying out this task.

You may also be able to enlist the help of local entrepreneurs to enhance your learners' experience. You could ask these entrepreneurs to advise groups of learners on how to prepare formal and informal presentations that evaluate the impact on resource requirements at different stages in the product lifecycle.

These could relate to growth measures, including sales turnover, market share and profit margins. These same entrepreneurs could be the audience for those presentations and provide feedback afterwards.

For learning aims C (investigate the reasons why some enterprises might fail) and D (explore the growth and exit strategies which could be considered by the owners of an enterprise), you could introduce the topics with a presentation that explains the key terms that might be used when looking at internal and external factors. Set up group discussions for learners that clarify these terms further.

You can invite guest speakers from successful enterprises to visit your centre to present and discuss the reasons why some enterprises fail. If this is not possible, case studies for appropriate enterprises can be provided for learners to interrogate. In small groups, your learners can carry out website research on internal and external factors. Learners may also be able to gather information from work experience placements or their part-time jobs.

Learners can prepare and deliver presentations on either growth strategies or exit strategies to small groups of their peers. Learners should then be encouraged to ask appropriate questions. Set suitable questions, or review questions put forward by learners prior to the presentation to ensure that both presenters and viewers are getting the most out of this activity. You can provide initial input for your learners using case studies to look at such strategies.



Assessment model

Learning aim	Key content areas	Recommended assessment approach
<p>A Explore the factors which influence the survival of an enterprise</p>	<p>A1 Management of physical and human resources</p> <p>A2 Role of technology on enterprise operations</p> <p>A3 Influence of technology in the market</p>	<p>A report which uses business and market data to identify growth trends in enterprises and market sectors, how technology supports this and the impact on human resources.</p>
<p>B Examine the ways in which business growth can be measured</p>	<p>B1 Financial growth measures</p> <p>B2 Non-financial growth measures</p>	
<p>C Investigate the reasons why some enterprises might fail</p>	<p>C1 Internal factors</p> <p>C2 External factors</p>	<p>A presentation based on a situational analysis that looks at internal and external factors, growth and exit strategies.</p>
<p>D Explore the growth and exit strategies which could be considered by the owners of an enterprise</p>	<p>D1 Growth strategies</p> <p>D2 Planning for an exit strategy</p>	



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 independently generate individual evidence that can be authenticated.

The unit specification suggests a report for learning aims A and B and a presentation for learning aims C and D. Learners should ensure that all research is fully referenced with a bibliography. Suitable forms of evidence for a presentation include slides, preparation notes, script, cue cards, peer assessment records and an observation record. BTEC assessors can complete observation records and learners' colleagues in placements or part-time work can complete witness statements.

Records of activity alone are not sufficient sources of learner evidence; the original learner-generated evidence must also support them. 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 provides you with a starting place for one way of delivering the unit, based around the recommended assessment approach in the specification.

Unit 35: Survival and Growth
<p>Introduction</p> <p>Begin by introducing the unit to learners through a group discussion exploring enterprises they know. Ask learners to think of examples of enterprises that they are aware of that are particularly successful, or have failed, drawing on their research and discussions in previous units. You can follow this by outlining the learning aims of the unit.</p>
<p>Learning aim A – Explore the factors which influence the survival of an enterprise</p> <ul style="list-style-type: none">• Begin by giving a presentation that explains the factors that influence the survival of an enterprise. Introduce the concepts of how the stages of the product lifecycle may impact on resource management, and the role and influence of technology.• Ask learners to research a variety of small and large enterprises, either ones they have discussed already in the previous units or new enterprises, and then contribute to a class discussion about what makes the enterprises successful. The discussion should consider why some enterprises have succeeded where others have failed.• Give a presentation on the purpose of resource management. Discuss what is meant by the term 'resources' and how the resources of an organisation are linked. Extend learning by asking learners to consider why and how an enterprise will need to manage its resources in the most efficient way possible.• Ask learners to work in pairs to research resource management and give a presentation to their peers.• Give a presentation on the management of physical and human resources.• Lead a discussion on the use of resources by successful enterprises in the area, i.e.<ul style="list-style-type: none">• physical and human• technological, e.g. their use of the internet, social media and viral marketing.• Give a presentation on the role of technology in enterprise operations and the influence of technology in the market.• Ask learners to produce a spider diagram of enterprises that they think are the most successful. This could then be displayed for future reference. In small groups, learners should then list what they consider are the three key factors that have influenced the success of these enterprises. Learners should report these findings back to the class, with the result being a list of key factors that could be added to the spider diagram. As a class, learners should be encouraged to discuss their findings.• Using the learners' examples from earlier, lead a discussion on different local and national enterprises. Ask learners to determine which they consider to be the most successful and why. Using relevant examples from this discussion, learners should explore the role of technology on enterprise operations and the positive and negative influence of technology.

Learning aim B – Examine the ways in which business growth can be measured

- Introduce the topic of measuring business growth. Explain the difference between financial and non-financial growth measures.
- Give a presentation on gross and net profit and profit margins. Use practical activities to reinforce learning.
- Discuss the difference between sales turnover and profit.
- Give a presentation on the calculation and use of return on capital employed (ROCE) figures.
- Use practical activities to reinforce learning. Extend learning by asking learners to research the published annual accounts of a large business and analyse their financial growth.
- Give a presentation on the importance of cash flow and why its management is an ongoing priority for any business.
- Ask learners to write a short report on businesses that have struggled or folded due to cash flow issues. Case study material could be used to support learners.
- Give a presentation on non-financial growth measures. Choose a large business and discuss its market share, output, and the trends for its products/services.
- Ask learners to work in small groups to research and gather further information on the ways in which business growth can be measured. This could be online research, or through visits to local entrepreneurs.
- Ask learners to prepare and deliver a presentation with professionally presented slides and speaker notes to give their findings on either financial or non-financial growth measures to the class.
- Use the learners' presentations to lead a discussion on the ways in which business growth can be measured.
- Lead the class in a discussion to ensure that learners understand the relative importance of different measures of business growth.
- Ask learners to use their research to draft a report that evaluates how the stages of the product lifecycle may impact on the resource requirements of an enterprise.
- Ask learners to prepare a presentation with professionally presented slides, using a range of growth indicators to show the relative performance of enterprises.
- Ensure all learners are prepared before providing them with the assignment brief for the assessment.

Learning aim C – Investigate the reasons why some enterprises might fail

- You could begin by looking at the internal and external factors that impact on enterprises and why enterprises fail.
- Give a presentation on the importance of planning. Ask learners to choose a local enterprise to research and discuss the impact that a lack of planning could have on an enterprise.
- Explain the concept of cost control systems and impacts if these are poorly managed. Extend learning by asking learners to write a report evaluating the importance of cost control.
- Give a presentation on the concept of insufficient capital and on cash flow problems.
- Use case study material to support a discussion about the implications of insufficient capital and cash flow issues.



- Give a presentation on the internal factors that influence an enterprise. Include over-expansion, failure to exploit technology and loss of key staff.
- Extend learning by asking learners to work in small groups to research and become 'experts' on the internal and external factors that impact on enterprises. These factors could include lack of planning or unrealistic and over-ambitious business plans, poor management, competitive market pressures, changes in consumer tastes and preferences and so on. Groups can either conduct research on each of these or they could be provided with appropriate case studies featuring examples of these factors.
- New groups can then be formed containing an 'expert' from each of the earlier groups. Encourage learners to share their knowledge with their peers, perhaps by creating shared lists or case studies that can be used for revision or reference throughout the other units.
- Ask learners to prepare and deliver a short presentation using their research findings.
- You should encourage your learners to independently research an enterprise of their choice to find out about the factors that impact upon it that might cause it to fail. Ensure that there is a broad range of enterprises covered in the group.

Learning aim D – Explore the growth and exit strategies which could be considered by the owners of an enterprise

- Explain growth strategies including the Ansoff Matrix, the role of the internet, and the partnership and finance options within growth strategies.
- Ask learners to demonstrate their understanding using a visual representation, for example, in the form of a spider diagram.
- Extend learning by asking learners to research two contrasting businesses, looking at their product portfolio and identifying the position of their products on an Ansoff Matrix.
- You could invite learners to discuss in small groups what they think risk to an enterprise may be. They can then share their findings with the class.
- Explain how to carry out a situational analysis using a tool such as the Ansoff Matrix to show the impact of changing market conditions in different markets on the level of risk of business failure and give learners a case study to carry out their own situational analysis on. Ask learners to do this individually but share their results with the group afterwards.
- Ask learners to gather enough information to prepare a presentation that considers the risk of failure for an enterprise.
- Give a presentation on franchising and its advantages and disadvantages. Discuss how enterprises use franchising to grow.
- Explain how enterprises plan for exit through exit strategies, looking at reasons for exit, possible exit routes and possible successors and different buyers.
- Lead a whole group discussion on the relationship between potential ideas and consideration of risk and opportunity.
- Extend learning by asking learners to prepare and deliver a brief presentation on exit strategies to the group, following up with a question and answer session.
- Ensure all learners are prepared before providing them with the assignment brief for the assessment.



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

This unit links to:

- Unit 33: Enterprise and Entrepreneurs
- Unit 34: Launch and Run an Enterprise

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.

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.

Videos

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).

Podcasts

www.eofire.com – Entrepreneurs on Fire.

<http://helpmybusiness.com> – Help My Business is a site that helps entrepreneurs and small business owners to build their business.

<http://theintrovertentrepreneur.com> – The Introvert Entrepreneur is a company that provides services for introverts and those who live/work/play with them.

Worksheets

http://entrepreneurship.org/~media/77EB3D61F8584F6CB5EFD1AE8DEE8855.a_shx – Worksheet on growth indicator

Websites

www.bbc.co.uk/news/business/economy – The BBC provides news on the UK economy.

www.businesscasestudies.co.uk – The Times 100 has economics and business case studies to include how Portakabin uses Ansoff's Matrix. The site also has a selection of theory notes aimed at learners such strategy theory on business failure.



www.economist.com – The Economist online has an archive of articles about the UK economy. A subscription is required but it also includes the weekly editions of the newspaper.

www.enterprise.ac.uk/index.php/case-studies – Enterprise Educators UK is the national network for enterprise educators.

www.entrepreneur.com – Entrepreneur magazine online has articles such as *Lessons from Successful Entrepreneurs on How to Beat the Competition*.

www.franchise.org/franchise-opportunities – Website of the International Franchise Association.

www.fpb.org/business-support/15-reasons-why-businesses-fail-and-how-succeed – An article on success and failure from the Forum of Private Businesses

www.mindtools.com/CommSkill/WritingSkills.htm – Tips on how to develop good communication skills

www.slideshare.net – SlideShare has a number of resources to include coverage of competitive market pressures.

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.