**BTEC Level 1/Level 2 Tech Award in Enterprise**

**Comparison of 2012 BTEC First Award in Business with 2017 BTEC Tech Award in Enterprise**

**Introduction**

**This document is designed to help you with mapping content as you transition from BTEC First Award in Business to the new BTEC Tech Award in Enterprise.**

**Our guidance is broken down into two sections:**

**Section 1: How and where can I use existing content?**

**Showing how the content in the new BTEC Tech Award in Enterprise maps across to the current BTEC First Award in Business.**

**Section 2: What do these changes mean for planning and teaching?**

**Review of key changes, outlining which component is externally assessed and when, and where to find further support.**

**Section 1**

**Headlines**

The new BTEC Tech Award consists of three components, two (1 and 2) are internally assessed and one (3) is externally assessed via a task, set and marked by Pearson. All three components are mandatory and a learner must achieve at least a level 1 pass in all three to achieve the qualification.

There are seven qualification grades – four at level 2 and three at level 1.

**The tables below** compare the content of the new BTEC Tech Award in Enterprise against the content of the 2012 BTEC First Award in Business. They highlight areas where there is a full match (green), areas where there is a partial match (yellow) and where there is no match (red).

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| **BTEC Tech Award in Enterprise - 2017** | **BTEC First Award in Business - 2012** |
| **Component 1: Exploring Enterprises** |  |
| **Component 1: Learning Aim A – Examine the characteristics of Enterprises** |  |
| A1 What is an enterprise?   * Enterprises carry out one or more activities, such as being involved with goods, services or both. * Most enterprises face some kind of competition. * Enterprises need to attract and keep customers happy and often face the difficulties of capturing and retaining customers. * The role of customer service in attracting new customers, securing repeat purchase, customer loyalty and an improved reputation. * Enterprises use creativity and innovation to meet customers’ needs by identifying gaps in the market for goods or services, or identifying a market for new goods or services. * Reasons why some enterprises fail. | No match |
| A2 Types and characteristics of small and medium enterprises (SMEs)   * Definition of SMEs: * micro – up to 10 people * small – between 11-49 staff * medium - between 50-249 staff. * Characteristics of SMEs: * run by single individual or small team of people * small number of employees * type of ownership - sole trader, partnership, Ltd * physical location and/or operate online. | Partially covered in:  Unit 1: Topic A.4 Size of business and type |
| A3 The purpose of enterprise   * Aims such as making a profit, surviving, expanding, maximising sales, providing a voluntary or charitable service, being environmentally friendly, being ethical. * Objectives which can provide challenges and targets over a defined period of time. * How social and political pressures can influence enterprises to consider wider ethical responsibilities. * Range of the types of products and services provided by enterprises, e.g. cleaning, fitness instruction, IT consultancies, financial consultancies, selling products such as a food stall, news agents, artists selling work online. | No match |
| A4 Entrepreneurs   * Reasons for starting own enterprise – to be own boss, to pursue a hobby, flexibility. * Mind-set: focus, passion, motivated and dedicated, inventive or innovative, proactive, confident, flexible and adaptable, resilient, having vision and the capacity to inspire. * Skills for success: knowledge of industry/sector, technical skills, interpersonal communication skills, planning, time management, negotiation, prioritising tasks, problem solving, managing risk. | Partially covered in:  Unit 1: Topic B.1 How business ideas can be successful |

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| **Component 1: Learning Aim B – Explore how market research helps enterprises meet customer needs and understand competitor behaviour** |  |
| B1 Customer needs   * The importance of anticipating and identifying customer needs. * Identifying customer expectations: * good-value products * rapid response to enquiries * clear and honest information. * After-sales service. * The ways in which different products can be linked to different kinds of customers according to age, gender, income, lifestyle and location. | Partially covered in:  Unit 4: Topic A7 Different ways of exceeding customer expectations |
| B2 Using market research to understand customers   * Qualitative research – based on individual customer responses, open ended questions. * Quantitative research – based on numerical and statistical data. * Primary research – research carried out directly with potential customers. * Types of primary research e.g.: * questionnaires - using a set of qualitative and quantitative questions e.g. face-to-face, telephone, post, on a website/social media site * visits or observation - looking at and recording how people behave in situations in a structured way * interviews or focus groups - talking to people to find out their views and experiences * surveys - a quantitative method that involves asking people to fill in a paper or online questionnaires. * Secondary research – using existing research from third parties. * Sources of secondary research e.g.: * online research, internet searches, websites * company materials * market reports * government reports. | No match |
| B3 Understanding competitors   * The main features which make products competitive: * price * quality * availability * unique features and selling points (USP). * Identifying competitors. * How products stand out from similar products in the market. | No match |

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| **Component 1: Learning Aim C – Investigate the factors that contribute to the success of an enterprise** |  |
| C1 Internal factors   * Factors within the control of the enterprise that can impact positively or negatively on costs, to include: * understanding the market - who the competition is, what customers want * keeping customers satisfied - the ability to meet customer needs better than its competitors on quality, price, features, customer service, availability, convenience * effective planning and financing * marketing and promoting the enterprise * unforseen human resources costs, e.g. staff illness. | Partially covered in:  Unit 1: Topic A.2 Factors to consider in the current business environment.  Unit 1: Topic A.3 Trends affecting business |
| C2 External factors   * Factors outside the control of the enterprise that can impact positively or negatively on costs, to include: * changes in the cost of energy, raw materials, borrowing, premises * changes in costs of marketing or selling * governmental changes - new regulations, changes in taxation. * Factors outside the control of the enterprise that can impact positively or negatively on revenues, to include: * competitors - new competitors, changes made by existing competitors * consumer confidence in the economy - growth/recession, level of employment * changing consumer behaviour - social trends, taste * changes in consumer legislation, sales and labelling of products the misuse of information. | Partially covered in:  Unit 1: Topic A.2 Factors to consider in the current business environment.  Unit 1: Topic A.3 Trends affecting business |
| C3 Situational analysis   * Using situational analysis to identify how internal and external factors might affect an enterprise, to include: * SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis – draws together everything that could affect the success of an enterprise, including competitive advantage and disadvantage, usually presented in form of table with bulleted points * PEST (Political, Economic, Social and Technological) analysis – identifies all political, economic, social and technological factors that might affect an enterprise, usually presented in form of a table with bulleted points. | No match |
| C4 Measuring the success of an SME   * Measures of success of SMEs - how far they meet business aims - surviving, breaking even, making a profit, meeting customer needs. * Reasons for the success of SMEs: * skills, hard work, determination, resilience and the ability of entrepreneur * ability to develop/motivate/train employees * level of customer service/satisfaction and the ability to meet customer needs * years of experience operating in this or similar markets. * Methods of measuring success, e.g. * surviving * making a living * sales volume/value * market share * profit * customer satisfaction/reputation. | No match |

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| **Component 2: Planning for and Running an Enterprise** |  |
| **Component 2: Learning Aim A – Explore ideas, plan and pitch for a micro enterprise activity** |  |
| A1 Generating ideas for a micro enterprise activity.   * Ideas could involve: * innovation of products/services * provision of products/services in new contexts * provision of products/services to new markets. * Selection of final idea should consider factors such as resources available, financial forecasts, costing and pricing, methods of communication and promotion, potential customers, skills of people in group * Skills audit by learner to consider: * leadership, personal and communication skills required * technical and practical skills required. | Partially covered in:  Unit 1: Topic B.1 How business ideas can be successful  Unit 1: Topic B.2 Business ideas  Unit 1: Topic B.3 Assessing the suitability of a business idea  Unit 1: Topic B.4 Producing an initial plan for a business idea |
| A2 Planning for a micro enterprise activity.   * Aims of the micro enterprise: * financial aims, e.g. to make a profit, break even * non-financial aims, e.g. customer satisfaction, social aims such as meeting a need in the community. * Product or service to be sold including: * features, benefits and unique selling points * costing and pricing * competitors. * Identify the target market: * market segment * appeal to target market * how product or service will reach market, e.g. selling direct or online * establishing and sustaining sales to the target customers. * Methods of communication with the customer: * selection of methods, e.g. advertising, use of social media * cost effectiveness * design of promotional materials, i.e. appropriate content (accuracy, completeness and clarity of information/message) and appropriate appearance (e.g. use of colour, visual features, images, logos, text). * Resources required: * physical resources including location, materials, equipment, fixtures and fittings, Information technology, stock * financial resources including sources of finance, start-up costs, running costs, production costs/cost of sales * human resources, e.g. skills and roles, training and development needs. * Risk assessment for example risks could include: * lack of entrepreneurial skills * competitor actions * unexpected costs of production, production) * sourcing resources e.g. start up, materials, stock * quality control issues * lack of customer interest. | No match |
| A3 Pitching for a micro enterprise activity   * Clear communication of the developed idea * Logical structure of content of the plan * Consideration of the audience, e.g. needs, interests. | No match |

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| **Component 2: Learning Aim B – Operate and review the success of the micro enterprise activity** |  |
| B1 Operation of the enterprise   * Carrying out communication and promotional activities e.g.: * production of promotional materials * distribution of promotional materials. * Setting up for trading, e.g. * obtaining components for production or implementation * preparing or producing products for sale, or agreeing how the service is to be provided if a service enterprise * preparing location and setting up enterprise activity including displaying products or information about services clearly * determining and displaying prices. * Managing finance, e.g. * costing and pricing product or service * handling money correctly, following correct procedures, keeping money safe * calculating accurately * recording financial transactions accurately, e.g. invoices, cash receipts. * Monitoring enterprise performance, e.g. using financial records to show: * how activity is operating against planned aims * start up and running costs and variation from estimates * actual customer take up of products/services against predictions * calculating and monitoring projected profits and/or cash flow * calculating breakeven and margin of safety. | Partially covered in:  Unit 3: Topic B.2 Promoting a brand |
| B2 Skills for carrying out an enterprise activity   * Working safely: * following correct procedures, e.g. food hygiene regulations * setting up equipment and resources safely, including lifting and carrying * ensuring safe display or demonstration of products or services * reducing hazards and ensuring area is tidy * wearing personal protective equipment (PPE) if appropriate, e.g. aprons, gloves if handling food. * Managing own time: * using and reviewing check list or action plan of tasks to be completed with planned timings * prioritising tasks and reviewing priorities * using initiative to make own decisions based on information * adjusting timing if tasks take longer than expected * remaining calm when working to time constraints. * Problem solving: * types of problems, e.g. related to health and safety, to selling and financial transactions, related to quality of product/service * sources of information, e.g. peers, teacher, adviser, information sources, experts * identifying problem and difficulties it could cause if unresolved * identifying realistic solutions and making informed decision after considering all relevant information. * Communicating and interacting with others: * group discussions with peers on how to run activity, contributing own ideas and point of view, respecting others e.g. listening to others’ ideas, paying attention to others, not interrupting someone who is talking * being helpful to customers, e.g. listening carefully, asking for clarification if necessary, using friendly, pleasant tone of voice, speaking clearly, using appropriate body language and posture * monitoring own performance, e.g. using note book or diary to record tasks to be carried out with schedule, timescale or deadlines, requirements for each task including instructions, timescale, actions to be carried out, considering whether actions are meeting requirements. | Partially covered in:  Unit 7: Topic B.2 Working safely |
| B3 Review success of a micro enterprise activity including own contribution   * Reviewing enterprise activity against original plan and financial forecasts to judge whether activity met its aims, e.g.: * profit made and planned * running costs against estimates * products or services sold and customer satisfaction. * Successes and failures: * what went well e.g. sale of products met customer demand, profit made, communication methods effective * what went less well or did not go to plan, e.g. resources unavailable, customers unable to find venue * evidence to used to support conclusions, e.g. results of customer feedback * recommendations for future enterprise activities. * Personal and group performance: * using tracking document to judge whether individual aims were met, e.g. checklist, diary * reflecting on feedback gathered from others, e.g. discussions with peers, tutor and advisers, producing questionnaire to gather customer feedback about product/services * what went well – reflecting on own performance and what was achieved, e.g. dealing promptly with customers, keeping accurate financial records, receiving positive feedback * what went less well or did not go to plan, e.g. not understanding what customers were requesting, not allowing enough time to achieve tasks. * Own performance in relation to enterprise: * identifying development needs, e.g. prioritising tasks, communicating with customer * recommending improvements on own performance, e.g. allowing more time for some tasks, asking for help if unable to complete task within agreed timescale, reasons for recommendations. | No match |

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| **Component 3: Promotion and Finance for Enterprise** |  |
| **Component 3: A –**  **Promoting an Enterprise (TBC)** |  |
| A1 Elements of the promotional mix and their purposes   * The message: what the communication needs to say. * The medium: how to get the message across. * Advertising methods: moving image, print, ambient, digital, audio. * Sales promotion: providing incentives to customers. * Methods: coupons, competitions, money off, loyalty incentives, buy one get one free, discounts. * Personal selling: face to face, by telephone, via email, through video or web conferencing. * Public relations activities: promoting a product/service, brand or enterprise by placing information about it in the media without paying for the time or media space directly * methods: exhibitions, sponsorship, press releases. * Direct marketing to establish an individual relationship between the enterprise and the customer * methods: direct mail (junk mail), mail order catalogues, magazines, telemarketing. | Fully covered in:  Unit 3: Topic A.3 Elements of the promotional mix and their purposes |
| A2 Targeting and segmenting the market   * Types of market: Business to Business (B2B), Business to Consumer (B2C). * Segmenting the market to identify which customers its promotions will target through: * demographics: age, race, religion, gender, family size, ethnicity, income, education level, socio-economic group * geographic: location * psychographic: social class, attitudes, lifestyle and personality characteristics * behavioural: spending, consumption, usage, loyalty status and desired benefits. | Partially covered in:  Unit 3: Topic A.4 Promotional activities in business |
| A3 Factors influencing the choice of promotional methods   * Size of enterprise. * Budgetary constraints. * Appropriateness for product/service. * Target market. | No match |

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| **Component 3: B – Financial records** |  |
| B1 Financial documents   * Types: invoices, delivery notes, purchase orders, credit notes, receipts. * Importance to a business of accuracy when these documents are being used. | No match |
| B2 Payment methods   * Payment methods: cash, credit cards, debit cards, direct debit, payment technologies. * Impact on customers and enterprises of using different methods. | No match |
| B3 Sources of revenue and costs   * Income from sales and from assets. * Start-up costs and running costs. | Partially covered in:  Unit 2: Topic A.1 Understand the costs involved in business  Unit 2: Topic A.2 Understand how businesses make a profit |
| B4 Terminology in financial statements   * Turnover (net sales) and cost of sales (cost of goods sold). * Gross profit, expenses, net profit, retained profit. * Fixed assets and current assets. * Current liabilities and long-term liabilities. * Debtors and creditors. * Net current assets. * Capital. | Partially covered in:  Unit 2: Topic C.1 Understand how businesses measure success |
| B5 Statement of Comprehensive Income   * Statement of comprehensive income: shows the profit or loss of an enterprise over time. * Calculate profit/loss using a simple statement of comprehensive income. | Partially covered in:  Unit 2: Topic C.1 Understand how businesses measure success |
| B6 Statement of Financial Position   * Statement of Financial Position: shows the financial performance of an enterprise at a point in time. * Categorise total assets and liabilities using a statement of financial position. | Fully covered in:  Unit 2: Topic C.1 Understand how businesses measure success |
| B7 Profitability and Liquidity   * The difference between liquidity and profitability. * Calculate profitability ratios from given formulae: * gross profit margin percentage (GPM): (gross profit/revenue) x 100 * net profit margin percentage (NPM): (net profit/revenue) x 100. * Calculate liquidity ratios from given formulae: * current ratio: current assets/current liabilities * liquid capital ratio: (current assets – inventory)/current liabilities. | No match |

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| **Component 3: C – Financial planning and forecasting** |  |
| C1 Using cash flow data   * Cash - liquid assets of the business; bank balance plus cash in the business. * Cash flow - difference between the cash flowing into the business (inflows) and the cash flowing out of the business (outflows), positive and negative liquidity. * Difference between sales and purchases. * Cash flow statement: the cash inflows and the cash outflows over the past 12 months. * Cash flow forecast: outlines the forecasted future cash inflows (from sales) and the outflows (such as raw materials, wages) per month over a period. | Partially covered in:  Unit 2: Topic B.2 Understand the tools businesses use to plan for success |
| C2 Financial forecasting   * Purpose of a cash flow forecast: * to identify money coming in (inflows) and going out (outflows) of the enterprise over time * to determine net current asset requirements and make business decisions. * Inflows: sales, capital introduced, loans. * Outflows: purchases, running costs. | Partially covered in:  Unit 2: Topic B.2 Understand the tools businesses use to plan for success |
| C3 Suggesting improvements to cash flow problems   * Analysis of cash flow information – considering changes in inflows and outflows over a period and how this affects the enterprise, considering differences between predicted and actual cash flow. * Cash flow problems - not having enough cash to pay employees and suppliers. * Impact of timings of inflows and outflows, and suggested solutions to problems: * increasing revenue * selling off unused assets * selling off inventory * chasing debtors for monies owed * cutting costs * delaying payment to suppliers * reducing credit period offered to customers * cutting back or delaying expansion plans. | No match |
| C4 Break-even analysis and break-even point   * Costs: variable costs, fixed costs, total costs. * Sales: total revenue. * Margin of safety * Break-even = fixed costs/(selling price per unit – variable cost per unit). * Break-even point. * The value and importance of break-even analysis to enterprises when planning. * Limitations of break-even analysis. | Partially covered in:  Unit 2: Topic A.1 Understand the costs involved in business  Unit 2: Topic A.2 Understand how businesses make a profit  Unit 2: Topic B.1 Understand the planning tools businesses use to predict when they will start making a profit |
| C5 Sources of business finance   * Sources of finance: * owner funds * retained profits * loans * credit cards * government grants * hire purchase and leasing * trade credit * venture capital * peer to peer lending. * Advantages and disadvantages of each source. | No match |

**Section 2: What do these changes mean for planning and teaching?**

**Main benefits**

* The BTEC Tech Award in Enterprise is approved by the DfE to count in the 2019 Performance tables.
* Externally assessed component 3.
* Level 1 qualification is graded.

**What are the key changes that I need to be aware of?**

As this unit is specifically focused on Enterprises, a more specific emphasis on previously taught materials is required throughout. There is a greater depth of knowledge required in many areas, so additional resources may be necessary to supplement resources that you may already have.

**External assessment**

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| **Component 3** | **Type** | **Frequency of assessment** | **First Assessment Window** |
| Promotion and Finance for Enterprise | Synoptic drawing on components 1 and 2 | There are two tasks released each year, in February and May/June. | February 2019 |

**Internal assessment**

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| **Components 1 and 2** | **Similarity** | **Difference** |
| Exploring Enterprises  Planning for and Running an Enterprise | As with the BTEC Firsts, to be given a component grade, a learner must complete assignments for all learning aims. | To achieve a Level 1 Merit:  Learner evidence must satisfy either: all Level 1 Merit criteria or all Level 1 Pass criteria and two specific Level 2 Pass criteria  To achieve a Level 2 Merit:  Learner evidence satisfies either: all Level 2 Merit criteria or all Level 2 Pass criteria and one specific Level 2 Distinction criterion |

**How should I plan delivery of the components to reflect the changes in assessment?**

Students would benefit from the delivery of Components 1 and 2 prior to commencing Component 3, the synoptic and external unit. In order to be fully successful with the external assessment, students need to be able to draw on their knowledge and understanding of Components 1 and 2, applying what they have learned, to the task. In preparation for the external assessment, practice sessions will prepare learners, supporting them in developing the required techniques.

More guidance on suggested delivery models can be found within BTEC Tech Award Schemes of Work. These documents will be available within the Course materials/Teaching and learning materials section for the BTEC Tech Award in Enterprise.