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| **Teacher\Department** |  | **Content area** | 8: Business and enterprise planning |
| **Guided Learning Hours (GLH)** | 10 GLH | **Lessons** | 10 x 1-hour lessons |

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| **Teaching content** |
| **8. Business and enterprise planning** 8.1 Business and enterprise planning 8.1.1 Purposes and benefits of planning 8.1.2 Sections of a business plan |
| **Opportunities to embed English and maths** |
| English: * Lesson 5 – learners summarise key information.
* Lesson 6 – learners provide their own definitions of key words.
* Lesson 10 - learners summarise key information.

Maths:* Lesson 4 - learners analyse a case study using statistical research.
* Lesson 5: - learners analyse a case study with statistical and numerical information.
* Lesson 6: - learners analyse statistical information.
* Lesson 8 - learners calculate a wage bill.
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| **Opportunities to embed equality and diversity** |
| Throughout the lessons, case studies reflect a range of genders, ethnicities, values, and backgrounds.  |
| **Opportunities to embed Prevent duty and British values** |
| * Mutual respect: throughout all lessons, activities entail working with others and sharing feedback within a classroom environment. This allows all learners to voice their ideas and opinions in a safe space where respect is promoted.
* Democracy: throughout all lessons, activities promote teamwork and learners can voice their opinions.
* Rule of Law**:** in lesson 8, learners explore laws relating to employment and management.
* Tolerance:range of case studies and business/enterprise examples with diverse cultures and ethnicities.
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| **Lesson** | **Learning activities**Implementation | **Resources**Support | **Assessment method**Impact | **Mapping**Teaching content |
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| 1  | **Purposes of business and enterprise planning****Starter Activity – Why plan?**In pairs, learners to discuss the reasons why a business or enterprise might need to plan. Answers include starting a new business or enterprise, expanding or growth of an existing business or enterprise, diversifying product or service range, entering new markets, informing potential investors, informing employees, monitoring progress, identifying necessary resources, and reducing risks.**Introduce the learning outcomes of the lesson.** Learners must be able to:* **Identify** how a business and enterprise conducts planning.
* **Explain** the purposes of business and enterprise planning.

Learners might also be able to:* **Review** key terms for business and enterprise planning.
* **Compare** planning for existing or new business or enterprises.

**Teacher-led discussion on business planning**.**Activity 1 – Definition of business and enterprise planning**Learners to read and identify key language within the text that they find unfamiliar. They should then join a small group and see if the others know these words. If no one in the group is familiar with the terminology, they can look for definitions online.**Teacher-led discussion** to explore words that have been identified by learners as key words. Where required, teacher should intervene to correct any misconceptions or to use differentiated questioning to explore the definitions of more complex language within the text.**Stretch and Challenge** - Which words in this definition are important for business and enterprise? Answers include plans, goals, financial planning, marketing, market analysis.**Teacher-led discussion on the purposes of business planning.****Activity 2 – Summary**Working in pairs or small groups, learners to explain why each purpose of a business plan is important, using examples.Answers include:1. To inform potential investors - For example, on the TV reality show Dragon’s Den, entrepreneurs pitch their business plans to seek potential investment. A business or enterprise may also seek a bank loan or a grant.
2. To inform employees - Existing businesses that decide to expand, such as booking.com introducing package holidays. This expansion required employees to be informed and supportive of expansion plans.
3. To monitor progress - New businesses or enterprises need to stick to a timeline of planning as an initial plan allows entrepreneurs to monitor what has been achieved and the timeline of this.
4. To identify necessary resources - Helps identify everything a business or enterprise will need so that this can be on time. This will ensure the business plans are not delayed for reasons of lack of correct resources.
5. To reduce risks - Planning allows entrepreneurs to identify possible problems and make plans to avoid or overcome these.

**Stretch and Challenge** - What are the differences between planning for a new or for an existing business or enterprise?Answers include that the purpose of informing employees is only for an existing business. For example, if a plan goes to external funders, it must a formal document, carefully formatted and proofread. However, for informing employees, planning is for internal use only and can be a bit more informal and personal. Another difference would be to include past financial statements when informing potential investors, which is not an option to new businesses.**Progress Check –**Teacher to lead quiz to reinforce learning and check progression Learners to fill in the blanks. Answers:1. Reduces risks
2. Monitors progress
3. Identifies necessary resources
4. Informs potential investors
5. Informs employees

**Recap** - Revisit the learning outcomes from the beginning of the lesson, explaining how these learning outcomes have been met. **Home study** – **Planning**Use the purposes we explored within this lesson to compare the purposes of business planning for new and existing businesses and enterprises, using real-life examples. | Internet access | Group workResearchQuestions and answers | 8.1.1 |
| 2 | **Benefits of business and enterprise planning****Starter Activity – Why plan?**Learners to work in pairs or small groups to answer the following questions:1. How could a comprehensive and accurate business plan help a new business or enterprise?
2. How could a comprehensive and accurate business plan help an expanding/changing business or enterprise?

Answers include: * To inform potential investors of potential business plans or changes.
* To monitor progress, whereby the business plan acts as a checklist to check progress against.
* To identify necessary resources required for a business or enterprise to make their business plans and goals a reality. Identifying what they need and when they need it to make sure that the business plan continues to progress.
* To reduces risk by analysing all areas of a business plan, helping identify any potential problems so plans can be made to avoid or overcome these issues.
* To inform employees of potential business plans or changes to ensure that the focus/aims of employees align with the direction of the business (for expanding businesses).

**Introduce the learning outcomes of the lesson**: Learners must be able to:* **Explain** the benefits of business and enterprise planning.
* **Consider** the impact of business and enterprise planning on stakeholders.

Learners might also be able to:* **Provide** examples of the benefits of business and enterprise planning.
* **Evaluate** the impact of planning on the overall success of a business.

**Teacher-led discussion on the benefits of business planning.****Activity 1 – Summary**Teacher to identify and explain the benefits of planning to a business or enterprise.  Answers could include: 1. Identify short and long-term financial needs – This benefit allows businesses and enterprises to set plans for now and long term.
2. Help with raising finances – Allows businesses and enterprises to develop information needed to present to investors or to secure bank loans.
3. Reduce the likelihood of cash flow problems – Allows businesses and enterprises to analyse their cash flow and identify where there may be potential problems so that these can be overcome or avoided in the planning stage.
4. Employees’ focus is aligned with the business – Meaning employees are engaged with the plans/changes and are working with the business to develop the plans set out within a business plan.
5. Ensure that resources are available when they are needed – Meaning that there will be no delays in acting on the business plans as everything a business or enterprise needs will be available at the point which they are required.

**Stretch and Challenge -** How could these benefits impact areas such as finance, customers, marketing?Answers include: * Allowing a business to secure the best possible source of funding to meet the needs of the owners.
* The business or employees becoming more engaged and motivated due to having a clear understanding and focus as set in the business plan.

**Teacher-led discussion in benefits of business planning for stakeholders**.**Activity 2** – **Benefits of business planning for stakeholders**Learners to work individually to consider the possible stakeholders that could benefit from being informed of a business or enterprise’s plans. They should then share their list with a partner.Answers include employees, suppliers, local community, and existing investors. **Stretch and Challenge** - How could informing these groups help the overall success of a business or enterprises' plans?Answers include:* Employees – This helps inform existing employees of the plans and vision and helps employees align their motivations and drive to achieve the same aims as the organisation.
* Suppliers – This helps informs suppliers of the possible increase in need for materials or stock. This may mean that the suppliers may need to expand their business if their current capacity is beyond what is expected in the plan.
* Local people in the community – This can help communicate information about how the business or enterprise may impact the local community/ local area. As a business this can be a tool to inform of the benefits that that business or enterprise can bring to the local area such as employment and improved transport links.
* Existing investors – This helps show investors how the business or enterprise is developing and how this will impact (and strengthen) their investment.

**Progress Check –**Teacher to lead multiple choice quiz to reinforce learning and check progression. 1. What is a business plan?
	1. A document that defines in detail the aims, goals and plans of a business or enterprise.
	2. A document that proves how much money the business will make.
	3. A document that ensures risks to a business or enterprise are avoided.
	4. A document that is a marketing tool.

Answer is a.2. Who should create a business plan?* 1. Employees
	2. Investors/banks
	3. Entrepreneurs/business owners
	4. Target markets

Answer is c.3. Which of these is a purpose of planning? * 1. To help identify and overcome potential risks
	2. To inform employees of the changing direction of a business
	3. To inform potential investors of the plans and goals of a business
	4. All of the above

Answer is d.4. Who could benefit from being informed about proposed plans?* 1. Competitor businesses
	2. Customers
	3. Stakeholders

Answer is c.**Recap** - Revisit the learning outcomes from the beginning of the session, explaining how these learning outcomes have been met. **Home study - Case studies**Learners to study the three case studies in the workbook and explain what benefits each business could gain from completing a comprehensive business plan, what impact these benefits could have, and how this could benefit other stakeholders.  |  | Group workQuestions and answers | 8.1.1 |
| 3 | **Business Plan - Executive Summary** **Starter Activity** – **Fill the blanks** Altogether in class, learners should identify the benefits of business or enterprise planning.Answers:1. Helps identifies (short) and (long)-term (financial) needs.
2. Helps in raising (finances).
3. Reduces the likelihood of (cash flow) problems.
4. (Employees’) focus is aligned with the business.
5. Ensure that (resources) are available when they are (needed).

**Introduce the learning outcomes of the lesson.** Learners must be able to:* **Identify** the key sections of a business plan.
* **Describe** the information in an executive summary.
* **Select** business plans for different types of businesses.

Learners might also be able to:* **Discuss** the purpose of an executive summary.

**Teacher-led discussion on writing a business plan.****Activity 1** – **Sections of a business plan**Working individually, learners should decide on the order in which they would present the several sections of a business plan and justify their decisions. They then exchange their ideas with a partner.Any answer is accepted if learners can give their reasoning as to their choices. For example, learners might argue that the market analysis should be placed before primary and secondary research as selecting and choosing (and validating) a target market beforehand could mean that more focused research could then be conducted into the wants and needs of a specific customer group. Teacher will conclude this activity by explaining that there is no set format for business plans and the sections can be delivered in any order to suit the needs of the business or enterprise.**Teacher-led discussion** **on the executive summary.****Activity 2** – **Case study**In pairs, learners to find three business plan templates suitable for planning the business or enterprise ventures given in the case studies in the workbook. They should explain their selection.**Stretch and Challenge** - What is the purpose of the executive summary and how can it help a business or enterprise be more successful in its planning?Answers could include: * To give an overview of the business plan making the business plan easier and quicker to review by potential investors.
* Helps identify all the important and key points about a business plan, which helps keep plans focused in the correct areas.
* Identifies the key needs and conditions for a business plan to be conducted, which means that key resources can be available as when they are needed so plans will not be held up unnecessarily.

**Progress Check –** Teacher to lead true or false quiz to reinforce learning and check progression. Answers:1. A business plan is a formal document. (True)
2. A business plan should follow a strict template. (False, it should be relevant to the type of business)
3. An executive summary should be at the end of the business plan. (False, it is often at the start)
4. An executive summary could include the legal structure of a business. (True)

**Recap** - Revisit the learning outcomes from the beginning of the session, explaining how these learning outcomes have been met. **Home study** – **Research task** In pairs or small groups, learners should research examples of business plans and identify the executive summary section. They should then answer the questions in the workbook. Since business plans can be confidential, teacher might provide a selection of business plans or executive summaries to choose from. | Internet accessExamples of business plans and executive summaries (optional) | Group workResearchQuestions and answers | 8.1.2 |
| 4  | **Business plan – Research** **Part 1** **Starter Activity** - **Why research?**Learners to think of five different methods of research and identify whether they are primary or secondary research. They should share their list with a partner and identify if the data collect is quantitative or qualitative and explain how this research can be used in a business plan. (Note: market research is covered in Content Area 2.)Possible answers include:* Questionnaires – Primary research that can provide qualitative (open or guided questions) and quantitative (closed questions) data. This could be used to help impact decisions relating to target market and the 4Ps in the marketing mix.
* Focus groups - Primary research that can provide qualitative data. This could be used to help impact decisions relating to target market and competitive and the 4Ps in the marketing mix.
* Interviews - Primary research that can provide qualitative data. This could be used to help impact decisions relating to target market, competition, and the 4Ps in the marketing mix.
* Observations - Primary research that can provide qualitative data. This could be used to help impact decisions relating to competition, target market, and premises.
* Government reports and statistics (for example census) - Secondary research that can provide quantitative data. This could be used to help impact decisions relating to target market, premises, or even labour needs.
* Competitor data – Secondary research that can provide qualitative and quantitative data. This could be used to help impact decisions relating to distribution methods, products, and prices.

**Introduce the learning outcomes of the lesson**:Learners must be able to:* **Describe** how business plans use primary and secondary research.
* **Identify** the advantages and disadvantages of primary and secondary research for a business plan.
* **Analyse** research on competition and target markets for a business plan.

Learners may also be able to:* **Explain** how research can strengthen a business plan and reduce risks.
* **Select** suitable methods of research for competition and target markets.

**Teacher-led discussion on primary and secondary research.****Activity 1** – **Advantages and disadvantages of research**In pairs or small groups, learners to identify advantages and disadvantages of primary and secondary research for a business plan. Some groups should work on primary research while others work on secondary research and then they share their findings.Answers include: Primary research (for example, questionnaires, focus groups and observations):* Advantages include that the information can be tailored to the needs of the business and ensure that the information received is reliable.
* Disadvantages include often more expensive and time consuming than secondary research methods.

Secondary research (for example, government statistics, news articles):* + Advantages include often cheaper and quicker to collect, wide range of resources and expertise available to draw your research from.
	+ Disadvantages include information may not be specific to the needs of business plan, not knowing if the information is reliable.

**Stretch and Challenge -** How can research be used to strengthen a business plan and help reduce risks?Possible answer is that conducting primary and secondary research allows a business to make informed decisions for their business plan, especially for the marketing and finances sections. Research can help a business identify potential problems and therefore allow for mitigations. As a result, this will minimise risks.**Reflective question** - What might we need to research when looking to expand a business or enterprise?Answers will vary, but would expect additional labour needed, premises, and equipment.**Teacher-led discussion on researching information for a business plan, focusing on competition and target market.****Activity 2** – **Case study**Sasha is looking to open a new takeaway restaurant that specialises in healthy organic meals. Sasha hopes to target university students aged 18 – 25. As part of their research, Sasha has looked at the local competition and demographics for three possible locations near universities. In pairs or small groups, learners should analyse the research findings and decide where Sasha should set up the new takeaway.Answers include:* There are more people within Sasha’s target market in Nottingham although there is probably a higher number of competitors within this area, especially healthy takeaways. This would mean that Sasha would not have a unique selling point to her business. However, with a higher average spent per meal, Sasha will be able to charge higher prices than the other locations.
* Birmingham University shows a lower number of target customers although there are higher levels of local competitors, especially similar businesses. Sasha may decide not to set up her business near Birmingham University.
* Wolverhampton University shows a lower number of target customers but also much lower levels of competition, especially competition from businesses that offer healthy takeaways. This would give Sasha a strong unique selling point within this area, but Sasha would have to offer a lower selling point to remain competitive.

**Stretch and Challenge -** Can you identify suitable methods that could be used to research Sasha’s competition and target market for their business plan?Possible answers include:* Suitable methods to analyse Sasha’s competitors could be looking through their websites (secondary research) or interviews with target market groups to gain an insight to their expectations when it comes to organic take-aways (primary research).
* Suitable methods to analyse Sasha’s target market could be using statistical information such as census and available demographic information (secondary research) or focus groups, questionnaires, or interviews (primary research).

**Progress Check –** Teacher to lead quiz to reinforce learning and check progression. 1. Primary research is:
	1. Accurate.
	2. Quantitative.
	3. First hand.

Answer is c.1. Secondary research is:
	1. Detailed.
	2. Qualitative.
	3. Using someone else’s sources.

Answer is c.1. Competition analysis can:
	1. Give you information about other local businesses who are targeting a similar customer or operating similar businesses.
	2. Give you insights into the private plans of competitor businesses.
	3. Give you information about the wants and needs of your target market.

Answer is a.1. Competition analysis can help you make informed decisions about:
	1. What features your product or service needs to have a USP.
	2. What price you should set your product and service at.
	3. Where you should locate your business.
	4. All of the above.

Answer is d.1. Target market is:
	1. The group of people who you plan to target with your business.
	2. How you will sell your products or services to your customers.
	3. The amount you will charge to ensure your products and services are competitive.

Answer is a.1. Target market research will include:
	1. Price, place and promotion.
	2. Location, characteristics and number.
	3. Primary, secondary and qualitative.

Answer is b.**Recap** - Revisit the learning outcomes from the beginning of the session, explaining how these learning outcomes have been met. **Home study – Revision notes**Learners to summarise the information about competition and target market research by creating a graphic organiser such as a mind map, diagram, or flow chart. |  | Group workReflective questionQuestions and answers | 8.1.2 |
| 5  | **Business Plan -** **Research Part 2****Starter Activity** – **Researching competition and target market**In pairs, learners to remember what they learnt last lesson about researching competition and target market for a business plan and why this research information is included in a business plan. If they have done the home study, they can use their notes to inform their discussion.Answers include:* Competition– This area of research analyses the features of competitors such as product/service features, price, location, and methods of distribution. The aim is to identify competitors ’s strengths and weaknesses. This research enables a business to ensure it has comparable strengths, take advantage of the competition’s weaknesses, and develop an own unique selling point.
* Target market – This area of research analyses features of the target market, including wants, needs, characteristics, quantity, and locations. This enables a business to understand their target market, make that meet their wants and needs.

**Introduce the learning outcomes of the lesson:** Learners must be able to:* **Describe** how research on labour needs, premises, equipment, and raw materials and/or components can inform business plans.
* **Summarise** key information about research on labour needs, premises, equipment, and raw materials and/or components in a business plan.

Learners may also be able to:* **Suggest** suitable methods of research on labour needs, premises, equipment, and raw materials and/or components.

**Teacher-led discussion on researching information for a business plan, focusing on labour needs, premises, equipment, and raw materials and/or components.****Activity 1 – Case study**In pairs, learners to read the case study in the handbook and decide what Harpel needs to research before deciding to expand his business.Answers include: * Target market - As Harpel is currently turning away orders there is evidence that there is a demand so this would not need additional research. Harpel may wish to research effective marketing methods to raise the profile of the business as it expands.
* Labour needs - Research the skills and experience required to make the phone cases and suitable rates of pay. Harpel also needs to research methods of recruitment and laws relating to employment as he will now be an employer who holds legal responsibilities. Suppliers - Ensure that existing or potential suppliers can meet the increase demand in raw materials. Harpel may also want to research possible price reductions (greater economy of scale).
* Equipment - Can current equipment meet the new capacity of orders? If not, Harpel needs to research the costs and quality of new equipment for the business.

**Stretch and Challenge** - Can you identify suitable research methods Harpel could use? Answers will vary, for example researching labour needs mightinclude secondary research; researching suppliers include interviews with existing suppliers or potential new suppliers. **Activity 2 – Summary**Working individually, learners to summarise key information about researching labour needs, premises, equipment, and raw materials and/or components. It can be in the form of notes, mind maps, diagrams, flow charts. They should then exchange their notes with a partner and supplement their notes with additional information.**Progress Check –** Teacher to lead quiz to reinforce learning and check progression. A business must:1. Assess who they need for their business to work effectively. (True)
2. Assess what skills and experience these people will need. (True)
3. Identify suitable location and premises that meet the needs of the business. (True)
4. Make sure that the location is in an area that they know well. (False)
5. Know what tools and equipment they will need for their business. (True)
6. Identify what raw materials they will need. (True)
7. Research suitable suppliers at the planning stage. (True)
8. Select a supplier that is cheap. (False, cost is a factor but so is quality)

**Recap** - Revisit the learning outcomes from the beginning of the session, explaining how these learning outcomes have been met. **Home study – Research and market analysis**Return to the case study in Activity 1, once Harpel has done all his research and decided to proceed with expanding his business, what information will he include in the market analysis section of the business plan?  | Paper and pens (optional) | Group workQuestions and answers | 8.1.2 |
| 6 | **Business Plan - Market Analysis** **Starter Activity** – **Research and market analysis**Based on the research given in the case study from last lesson, once Harpel has done all his research and decided to proceed with expanding his business, what information will he include in the market analysis section of the business plan? Learners to work in pairs and use notes from their home study if they have them.Answers include target market, competitive environment, and/or potential suppliers. **Introduce the learning outcomes of the lesson:**Learners must be able to:* **Define** what market analysis is.
* **Identify** the areas of research in the market analysis of a business plan.

Learners might also be able to:* **Explain** how a business or enterprise can conduct research to inform market analysis.
* **Evaluate** why market analysis is important for the overall success of a business or enterprise.

**Activity 1 – Definition**  Learners to work in pairs or small groups to come up a definition of the term market analysis and create a list of the factors the market analysis section of a business plan needs to consider.A possible definition isexploring the wants, needs and characteristics of the people within a target customer group. **Stretch and Challenge** - Select suitable methods of research to inform the market analysis section of a business plan.Answers could include statistical information such as census and available demographic information (secondary research) or focus groups, questionnaires, or interviews with target market groups to gain insight into their wants and needs (primary research).**Teacher-led discussion on market analysis.** **Activity 2** – **Research task**In pairs, learners to research how to complete each area of the market analysis section of a business plan. Answers include:* Target market analysis – Analysis of the research relating to target customer group. This analysis would include research relating to the wants, needs, quantity and location of target market group. We will then use this information to make informed decisions about a business so that it meets the wants and needs of target customers as well as suitable distribution channels and locations.
* Competitive market– Analysis of research relating to the features of our potential competitors, their strengths, weaknesses, and unique selling points. To do this we will need to analyse features such as product/service features, price, quality, disruption methods, locations, and promotional methods. This will inform decisions about the business to ensure that we can be just it is competitive and develop own unique selling point.
* Potential suppliers – Analysis of research conducted into potential businesses who could supply materials, components or stock required to deliver products or services. This research informs analysis of which suppliers would be the best in terms of delivering high quality components reliably and a competitive price.

**Stretch and Challenge** - Why is each area of market analysis important for the overall success of a business or enterprise? How can they help inform planning decisions?Possible answers would relate to how this information could inform decisions within the marketing mix (product/service, price, place, promotion). Examples could include: * Target market analysis – Informs accurate decisions relating to the features of product or service and meets the needs and wants of our target markets. It may also inform where to locate our business and what distribution channels.
* Competitive market– Informs accurate decisions relating to price and promotion and being competitive when compared to competition. It can also help us to determine unique selling point.
* Potential suppliers– Informs the materials/components required and decisions relating to the features of products/services, quality, and pricing.

**Progress Check –**Teacher to reinforce learning and check progression.A new company specialises in smart active footwear. They have completed analysis of their research on target market. Analyse the market research provided in the workbook and choose decisions for a market analysis? Think about choices relating to the Product, Price, Place and Promotion.Teacher to refresh the 4 Ps:Product – product or service being marketedPrice – what the customer paysPlace – where the marketing takes placePromotion – how is the product advertisedAnswers include:* Product – There is a gap in the market for formal activewear. This could give the business a unique selling point (USP) while also meeting the wants and needs of the target market. Target market also identified needs for environmentally friendly and ethically products so the product would need to reflect this.
* Price – The target market has identified that they spend between £100-200 on athletic shoes every 12 – 36 months. This informs the price point. The target market research has also identified that customers are loyal to brands they like so promotional pricing on social media.
* Place – Target market commonly buys fitness products online so the business would need to operate using e-commerce and have accessible online shop. Would also need to make sure that company can deliver direct to customers using reliable and cost-effective suppliers.
* Promotion – The target market research shows preference for social media, which means investing in such platforms for adverts, even supplying free products or paying influencers for endorsement.

 **Recap** - Revisit the learning outcomes from the beginning of the session, explaining how these learning outcomes have been met. **Home study – 4Ps** Learners should research sections that would be included in each of the 4Ps section of a marketing section in a business plan. Learners may recall knowledge from Content Area 2 if this content has already been covered. | Internet access | Group workResearchQuestions and answers | 8.1.2 |
| 7 | **Business Plan - Marketing****Starter Activity** - **4Ps of marketing**In groups, learners to discuss the information included in the 4Ps of marketing.Possible answers: * Product/service – What a business or enterprise will sell customers. This section would include information such as a description of the product/service and any features that meet the needs and wants of the target market or offers a unique selling point (USP) when compared to competitor businesses.
* Place – Location and methods used to deliver the product/service to the customer. This could be the physical location of a business, or the distribution channels of goods/services to customers.
* Price – Amount business chooses to sell its products/services, including any pricing strategies that may be used. A wide range of factors determine price.
* Promotion – Methods used to promote the business and the products/services. This can include advertising, personal selling, sales promotions, and direct marketing.

**Stretch and challenge** - What information/plans/decisions may be included in each section in a business plan?Answers include: * Product/services- Decision relating to quality, features and functions ensuring that what is being sold, unique selling point, and place in the market.
* Place – Selecting a location that is accessible to target customers. This could also relate to selecting a method of distribution that competitors are currently not exploiting.
* Price – Setting a recommended retail price (RRP) or pricing strategies that meet the demands of the target market group. This could also include pricing strategies that consider competition to try and draw customers from other businesses to increase market share.
* Promotion – Setting promotional methods that meet the needs of a target market.

**Introduce the learning outcomes of the lesson**: Learners must be able to:* **Identify** the four areas of the marketing section in a business plan.
* **Assess** the risks of an inaccurate marketing section in a business plan.
* **Analyse** how a marketing analysis can lead to the success of a business.

Learners may also be able to:* **Explain** the impact of an inaccurate marketing section in a business plan.

**Teacher-led discussion on the marketing section of a business plan**.**Activity 1 – Possible risks** In pairs or small groups, learners to discuss the possible risks a business or enterprise could face without an accurate analysis of the 4Ps of their business and how to avoid them.Answers include:* Product/service - Risk of not selling enough or reducing their market share. Can be avoided by ensuring that products and services meet customer needs and are competitive,
* Place – Risk of not being able to deliver products and services to customers. Can be avoided by ensuring that customers can access products/services.
* Price – Risk of customers not buying their products and will ensure the business can cover their costs. Can be avoided by ensuring that price of a product or service is set correctly for target market, but also ensuring that the price is set high enough so that business costs are covered.
* Promotion – Risk of customers not knowing about the business. Can be avoided by ensuring brand recognition and a positive reputation.

**Stretch and challenge** - What impact could these risks have on the overall success a business or enterprise?Possible answer is if customers do not buy products/services because they do not meet their needs, are not priced correctly, are difficult to access, or lack promotion, this will result in reduced market share, reduced revenue, and cash flow issues. If this is not resolved, then the business will no longer be profitable and could become insolvent. **Teacher-led discussion on the content of the marketing section of a business plan****Activity 2** – **Research**Learners to research a business and analysing the marketing mix and how the choices made during planning have ensured success. Learners will need to select a well-known business or brand and identify their most successful product or service. They should use the questions in the workbook to guide their research.Answers will vary.**Progress Check –** Teacher to reinforce learning and check progression. Learners to match each item to the correct area of the marketing section.Answers:* Product/service – USP, product life cycle, feature and guarantees.
* Price – RRP, pricing Strategies.
* Place – Locations, distribution channels, delivery, and transport.
* Promotion – Advertisements, sales promotion, direct marketing.

**Recap** - Revisit the learning outcomes from the beginning of the session, explaining how these learning outcomes have been met. **Home study – Marketing section**Learners should imagine they oversee the business plan of the company they researched in Activity 2. They should write their marketing section. | Internet access | Group workResearchQuestions and answers | 8.1.2 |
| 8 | **Business Plan - People and Operations Part 1** **Starter Activity** – **Marketing mix**In pairs, learners list the information that need to be included in each area of the marketing section in a business plan. Answers include: * Product/services – Product/service description, features, guarantees, product life cycle.
* Place – Locations, distribution channels, delivery, and transportation.
* Price – RRP, pricing strategies.
* Promotion – Advertising, sales promotions, direct marketing.

**Introduce the learning outcomes of the lesson:** Learners must be able to:* **Describe** the people and operations section of a business plan.
* **Explain** the information in the people considerations section of a business plan.
* **Analyse** what needs to be considered when planning for people in business or enterprise.

Learners might also be able to:* **Discuss** the importance of the people considerations section.

**Teacher-led discussion on the people and operations section of a business plan, focusing on people considerations**.**Activity 1 – People considerations**In pairs or small groups, learners to research and explain what information would be included under each heading of the people considerations section of a business plan. Answers include:* Who the business will need to function – How many people a business would need to complete their business operations. This will include analysis of the work required in the day-to-day running of the business and how many people will be required to meet the needs of those tasks.
* What skills, experience, and qualification these employees will need – Level of complexity and skill required for each job so right the right candidates are recruited.
* What would be sufficient reward for their employment and cost – Could include both financial and non-financial rewards.
* Human resource (HR) process of recruitment and employment – Laws and regulations around employment. This process would include steps such as advertising, shortlisting, interviewing, and making an offer.
* Management structure – Appropriate management structure to ensure an effective chain of command. Tall and horizontal management structures along with the advantages and limitations of each so that they can select the best one to meet their needs.

**Stretch and Challenge** -Why is it important that we consider each section identified in people considerations?Answers include to ensure that the business is staffed so that it operates smoothly, no disruptions to the day-to-day operations, no impact on the quality of products or services (including customer services), having the most skilled and experienced staff, protecting their employees as well as the interests of the business. **Activity 2 – Case study**In pairs or small groups, learners to answer questions based on the case study provided in their workbook. Answers:1. How many employees would Sunny need during peak and off-peak seasons?

Four servers (the maximum) and two servers (the minimum).1. What is Sunny’s estimated wage bill per year?
	* Peak = 100 days x £100 = £10,000 x 4 people = £40,000
	* Off Peak = 200 days x £100 = £20,000 x 2 people = £40,000
	* Total = £80,000
2. What skills and experience would the servers need?

Retail and customer service experience, food hygiene/safety or food handling.1. What training do you think employees may need?

Induction, health, and safety training, till training, opening, and closing procedures, cleaning, and hygiene procedures.1. What management structure should Sunny use?

Flat horizontal structure due to small staffing. **Progress Check –**Teacher to lead to reinforce learning and check progression. Learners should study the case study on Loaf Ltd and answer the questions. They can use the internet for their research.Answers will vary but should stress that identifying the right skills in the people considerations section of the business plan ensures that the correct person is hired for each job role and employment laws will ensure that a business or enterprise operates lawfully and without discrimination. **Recap** - Revisit the learning outcomes from the beginning of the session, explaining how these learning outcomes have been met. **Home study – Revision notes**Learners to summarise what they know about the people considerations section of a business plan by creating a graphic organiser such as a mind map, diagram, or flow chart. | Internet access  | Group workResearchQuestions and answers | 8.1.2 |
| 9 | **Business Plan - People and Operations Part 2** **Starter Activity** – **Mix and match**Learners to complete the match the words to their correct definition. Answers: * Job production - One off or bespoke production of products or delivery of services.
* Batch production – Small scale production of products or delivery of services.
* Flow production – Also called mass or continuous. Uses effective assembly lines.
* Equipment –The items and resources required for production of products or delivery of services.
* Distribution channels – The method in which a product or service is delivered to the customer.
* E-commerce – Selling products or services online.

**Introduce the learning outcomes of the lesson**: Learners must be able to:* **Describe** what operational considerations are.
* **Explain** the research that informs operational considerations.

Learners might also be able to:* **Assess** how operational considerations can reduce risks when planning for a business or enterprise.
* **Discuss** the importance of operational considerations for the overall success of a business or enterprise.

**Teacher-led discussion on operational considerations**.**Activity 1-** **What are operational considerations?**Learners should summarise what operational considerations are and what information would be included in this section of the business plan. They should first work individually and then exchange and discuss their answers with a partner. A possible definition is operational considerations refer to all the direct and indirect tasks that are conducted which leads production of products or delivery services for a target market. This section includes information on methods of production, equipment, distribution methods and cost.**Stretch and Challenge** - How can operational considerations reduce potential problems or risks?Answers include:* Understanding production volumes and production methods ensure that a business is producing enough to meet customer demands or not producing too much so that this causes unsold stock/services.
* Ensuring that a business has the correct tools and machinery to so that production is smooth to increase lead times for customers.
* Ensuring that a business has the correct tools and machinery to produce quality products and avoid customer complaints.

**Activity 2** – **Research and operational considerations** Explain which research would be included in each area of operational considerations in a business plan. Learners can use the internet or their notes from Content Area 4.Possible answers include: * How a business or enterprise plans to manufacture, including methods of production – A business would need to research various production methods to ensure that they select the best method to support the needs of their business. These methods would include job production, batch production, cell production, and flow production.
* What equipment (tools or machines, for example) may be required to operate effectively – A business would need to research the tools, machines, or equipment, what each one can do, how it would support the manufacturing process/delivery or service as well as understanding the level of quality that each one would deliver. A business would also need to research their price to ensure that the costs are covered within the sales price.
* What distribution channels will be used to deliver to customers - A business would need to research the advantages and limitations of the different distribution methods. The methods that would need to be researched include direct, retailer, wholesaler, e-commerce.
* How much this may cost - A business would need to research the projected costs for all areas from sourcing materials, manufacturing, to delivery to the customer, along with other indirect tasks such as the costs of administrative tasks.

**Stretch and Challenge** - Why are operational considerations important for the overall success of a business or enterprise? Answers include producing enough to meet customer demands or not producing too much to avoid unsold stock/services a business; manufacturing and delivering products or services reliably, on time and to a high quality; setting prices accurately to make informed decisions relating to sourcing finance in the business plan. **Progress Check –**Teacher to reinforce learning and check progression. Learners to place each phrase in its correct category. Some phrases can be in two categories. Answers:1. Methods of production – Batch, job, flow, mass; quality control, quality assurance, outsourcing.
2. Equipment – Tools and machines; computer systems.
3. Distribution Methods – Packaging; delivery or postage.
4. Cost – Fixed and variable; economies of scale; outsourcing.

**Recap** - Revisit the learning outcomes from the beginning of the session, explaining how these learning outcomes have been met. **Home study** – **Knowledge consolidation**Learners to create a mind map summarising the content of the key areas of business and enterprise planning that have been explored so far:* Executive Summary.
* Research.
* Market Analysis.
* Marketing.
* People and operational planning.

For each section identify:* Why it might be important in a business plan and how this could help overall success of a business or enterprise.
* How it helps the business to avoid potential risks and problems.
 | Internet access | Group workResearchQuestions and answers | 8.1.2 |
| 10 | **Business Plan - Financial Plan** **Starter Activity** – **Costs**In pairs or small groups, learners to list the costs a business may have to pay. Then, they should sort these costs as fixed, variable, or/and start-up.Answers include: * Research costs – Start-up and fixed costs.
* Licences and fees - Start-up and fixed costs.
* Premises - Start-up and fixed costs.
* Manufacturing tools/equipment - Start-up and fixed costs.
* Office equipment - Start-up and fixed costs.
* Materials and components - Start-up then running costs and fixed costs.
* Packaging - Start-up then running costs and fixed costs.
* Delivery - Running costs and fixed costs.

**Introduce the learning outcomes of the lesson**: Learners must be able to:* **Describe** what financial planning is.
* **Explain** the areas that are analysed when developing financial planning for a business or enterprise.

Learners might also be able to:* **Assess** how financial planning can reduce risks for a business or enterprise.
* **Discuss** how financial planning differ for new and existing businesses and enterprise.

**Teacher-led discussion on financial planning.**Note: some of the content is also covered in Content Area 6: Sources of enterprise funding and business finance.**Activity 1 – What is financial planning?** Working individually, learners should summarise what financial planning is and what information would be included in this section of the business plan. They should then exchange and compare their answers with a partner. Possible answer is overview of any current financial information (if the business/enterprise already exists) and projections for future finance and growth, which are important factors for the business plan to be successful.**Stretch and Challenge** - Why is financial planning important to the overall success of a business or enterprise? How can financial planning reduce potential problems or risks?Financial plannings ascertains possible risks such as reduced cash flow, insufficient funds and the risk of insolvency can be reduced. **Teacher-led discussion on the contents of financial planning**.**Activity 2** – **Contents of a financial plan**Explain why each area of a financial plan, and the information it contains, is important when planning for business and enterprise.Answers include: * Start-up costs – A business needs to research and create accurate estimations of how much this would cost. This would then be used to inform further financial decisions such as budgeting and sourcing of finances.
* Running costs – A business needs to research and create accurate estimations of running costs for each month/quarter/year. These estimates would then be used to inform financial decisions such as budgeting, cash flow analysis and sourcing of finances. These costs also inform the price of the product or service to ensure that cost per unit is covered.
	+ Fixed costs –This information would then be used to inform further financial decisions such as budgeting, cash flow analysis as well as setting the price per unit.
	+ Variable costs –This information would then be used to inform further financial decisions such as budgeting, cash flow analysis as well as setting the price per unit.
* Cash flow forecast – A business needs to analyse their projected cash flow in and out of their business month by month. This will allow the business to identify potential cash flow problems and reduce the risk of not being able to pay bills/costs. This will help ensure that the business remains solvent and does not run into issues where production/services are halted due to insufficient stock/materials.
* Break-even chart and analysis –To do a break-even analysis, a business needs to research their projected running costs and work out their costs per unit. These can then be plotted onto a graph whereby the calculation is (n x cost per unit) + fixed costs. Against this a business plot the price per product which is calculated at price x n. Where these two lines intersect is the break-even point, giving the business a target of revenue and items sold to ensure that all costs are covered. The break-away point can inform production levels. This information is then used to inform further financial decisions such as budgeting, cash flow analysis as well as setting the price per unit.
* Projected income statement – A business needs to project the number of sales and revenue that they expect to receive each month to predict the amount of money coming into the business. This is then used to set spending and revenue targets to set budget sand ensure that the business is financially stable during the first months of initiating the business plan. This will also help the business to identify potential risks to finances over this period and make plans to overcome these issues

**Stretch and Challenge** - How may financial planning differ between new and existing businesses or enterprises?Possible answer is an established business may not need to spend as much money on start-up costs except for additional costs like market research. May have a better understanding of their costs and therefore demonstrate better accuracy within their cash flow forecast, break-even analysis, and projected income statement. A new might be less experienced so needs to research all areas of the financial planning to ensure that these projections in their business plans are as accurate as possible. **Progress Check –** Teacher to lead quiz to reinforce learning and check progression.Answers:1. Start-up costs are only paid once. (True)
2. Fixed costs are only paid once. (False)
3. Cash flow forecast can tell how much target market is willing to pay for product or service. (False)
4. A break-even analysis gives targets of how much money a business should make each month to break even. (True)
5. A break-even analysis can give targets of how many units a business should sell each month to break even. (True)
6. An accurate projected income statement can increase chances of getting investment or business loan. (True)

**Recap** - Revisit the learning outcomes from the beginning of the session, explaining how these learning outcomes have been met. **Home study – Risk reduction**Learners to explain how planning each of the following financial areas can reduce risk or increased benefit for a business or enterprise:* Start-up costs.
* Fixed costs.
* Cash flow forecast.
* Break-even chart and analysis.
* Projected income statement.
 |  | Group workQuestions and answers |  |

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| **Learner Workbook: Knowledge Check Answers**  |
| 1. What are five purposes of business and enterprise planning?

Answers:* Informs potential investors.
* Informs employees.
* Monitors progress.
* Identifies necessary resources.
* Reduces risk.
1. What are five benefits of business and enterprise planning?

Answers:* Identifies the short and long-term finance needs.
* Helps raise finance.
* Reduces likelihood of cashflow problems.
* Employees aligned with business focus.
* Ensures resources are available when needed.
1. Write a definition of a business plan.

Answer: detailed document that outlines the aims, goals, and plan for a new or expanding business. 1. Explain the purpose of an executive summary.

Answer: highlight and summarise key information from the business plan. 1. Which one of these statements is not considered a purpose of primary and secondary research?

a. Identify potential competitors.b. Identify the wants and needs of a target market.c. Identify potential needs of a business or enterprise. d. Identify potential investors.Answer is a.1. Identify would need to be researched under the following areas:
* Competition
* Target Market
* Labour Needs
* Premises
* Equipment
* Raw materials and/or components

Answers:* Competition – products and prices, number and locations, distribution methods.
* Target Market – location, characteristics, number.
* Labour Needs – Skills, number or employees, cost/salary/wage.
* Premises – Location, cost, features.
* Equipment – Items needed, cost.
* Raw materials and/or components – quantity, cost, supplier, quality.
1. Which of these statements about market analysis are not true?

a. Identify where their target market is located. b. Identify the wants and needs of a target market. c. Identify potential competitors. d. Identify potential investorsAnswer is d. 1. Identify what would need to be researched under the following areas:
* Product/Service
* Place
* Price
* Promotion

Answers: * Product/Service – This section explains what it is the business or enterprise will be selling. Information included in this section includes features, USP, guarantees, product life cycle, Boston Matrix.
* Place – This section identifies how a business or enterprise will deliver its products or services to their customer including the physical ‘where’ of the business or enterprise. Information included in this section include location and distribution channels.
* Price – This section identifies elements regarding pricing. Information included in this section includes RRP, pricing strategies.
* Promotion – This section identifies how a business or enterprise will promote their business to their target customers. Information included in this section includes promotional methods such as sale promotions, advertisement, direct marketing
1. Which of these statements about people and operations are not true?

a. Identify and explain who your competitors are.b. Identify and explain what skill and experience is needed.c. Identify and explain the best method of productiond. Identify and explain what equipment is needed.Answer is a. 1. Discuss how planning the following financial areas would reduce risk or increase benefit for a business or enterprise.
* Start-up costs.
* Fixed costs.
* Cash flow forecast.
* Break-even charts and analysis.
* Projected income statement.

 Answers include:* Start–up costs - Can help secure loan by showing what money will be needed and for what it will be used.
* Fixed costs – Reduces risks of not being able to pay bills or unexpected costs, this helps budget money required each month and can help inform the overall price of the product to make sure the business or enterprise does not make a loss.
* Cash flow forecast – Reduces risk of no cash flow.
* Break-even charts and analysis – Identify a target to sell (units or £) reducing the risk of not making a profit. Can also help secure investment/loans/grants by showing that the business or enterprise will be profitable after the breakeven point.
* Projected income statement - Can also help secure investment/loans/grants by showing that the business or enterprise will receive income and be sustainable over time.
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# Document information

Owner: Product and Content (Learning Resources)