Cornwallis Academy
Ambitions for All

SMILE
SUCCESSFUL | MOTIVATED | INSPIRED | LEARNING | EXCITED & ENGAGED

Year 11 Enterprise

Component 2 – Planning and Presenting a Micro-Enterprise Idea

Learning Objectives

Learning outcome A: Choose an idea and produce a plan for a microenterprise idea

What previous knowledge is required?

Component 1: Exploring Enterprises
Term 6: Financial documentation and information

How will this term's content help with future learning?

Students will be assessed in a new controlled assessment in Term 1 of Year 11 using the pre-release material. Students will sit under controlled conditions but assessed regularly through written assessment and a PPE in March of Year 11. The full qualification is made up of 3 component and student scores will contribute to points and the overall grade at the end of Year 11.

National Curriculum / Specification

A1 Choosing ideas for a micro-enterprise

- Generation of ideas and choosing or rejecting ideas that may contribute to the likely success of an enterprise idea:
  - own interests/skills audit o resources available
  - potential constraints: budget, age constraints – i.e. not able to employ others, not able to have a loan from a lender, not able to rent premises
  - financial forecasts o costing and pricing
  - methods of communication and promotion o potential customers o gaps in the market.
- Innovative ideas which are realistic and within budget and could include:
  - animal and horticulture
  - art and design
  - cleaning and maintenance
  - creative and speciality crafts
  - entertainment, performing arts and leisure
  - fashion and accessories
  - food and drink o hair and beauty
  - holding/hosting events
  - lifestyle
  - mental health and wellbeing
  - sport and exercise
  - sustainable and environmental
  - teaching, educational and coaching
  - technological, digital, social media and e-commerce o writing and publishing.

A2 Plan for a micro-enterprise

Learners will draw on research to complete an accurate and realistic business plan for their chosen micro-enterprise idea within a given budget, to include:

- Ownership of the micro-enterprise:
  - sole trader
  - social enterprise.
- Aims of the micro-enterprise:
  - financial aims: to make a profit, to break-even
  - non-financial aims: customer satisfaction, social aims such as meeting a need in the community.
- Features of the product (goods or services) to be sold, including:

- ensuring product features and production of product is environmentally friendly and in the public interest, i.e. safe, ethical and legal
- relevant benefits and unique selling points (USPs)
- cost.
- Pricing of the product (goods or services) to be sold, including:
- strategy: cost-plus/mark-up, competitive, skimming, penetration, premium
- selling price.
- Methods of promotion:
- selection of methods of promotion: advertising, use of social media o cost effectiveness.
- Identifying the target market:
- market segment o pricing strategy, selling price and promotion appeal and relevance to target market o how product will reach market: selling direct, online or both
- establishing and sustaining sales to target customers.
- Resources required:
- physical resources: location, materials, equipment, fixtures and fittings, information technology, stock
- financial resources: sources of finance, calculation of start-up costs, running costs, and production costs/cost of sales
- human resources: skills and roles, possible training and development needs
- how the resources will be obtained/funded.
- Financial information:
- financial planning and forecasting commentary: break-even calculation and 12-month cash flow forecast
- financial records commentary: profit and loss account (forecast statement of comprehensive income).
- Risk assessment:
- description of potential and realistic risks involved: lack of skills, competitors, unexpected costs, sourcing of resources, quality control, lack of customer interest
- threats posed by competitors: products, customers, customer service, advertising and promotion, success and failures, potential gaps in their offering
- recommendations as to how risks can be overcome
- recommendations as to how to ensure quality of products.
- Viability of the plan based on the following considerations:
- financial data
- safety
- ethicality
- legality
- environmental

Pearson BTEC Tech Award Level 1/2 in Enterprise 2022 – pages 35-46

Component 2 – Planning and Presenting a Micro-Enterprise Idea

Learning Objectives

Learning outcome B: Present a plan for the micro-enterprise idea to meet specific requirements
Learning outcome C: Review the presentation of the micro-enterprise idea to meet specific requirements

What previous knowledge is required?

Learning outcome A: Choose an idea and produce a plan for a microenterprise idea

How will this term's content help with future learning?

Students will be assessed in a new controlled assessment in Term 1 of Year 11 using the pre-release material. Students will sit under controlled conditions but assessed regularly through written assessment and a PPE in March of Year 11. The full qualification is made up of 3 component and student scores will contribute to points and the overall grade at the end of Year 11.

National Curriculum / Specification

B1 Production of presentation

- Selection of relevant information and logical sequencing of information and ideas.
- Use of appropriate written communication skills:
  - use of business terminology o presentation of information and data.
- Consistent visual presentation appropriate for the enterprise idea: appropriate colours, use of margins, appropriate use of images and transitions, appropriate font including size and type.

B2 Delivery of presentation

- Methods of recording and delivery: on-screen videos and sharing, electronic presentation, pre-recorded, video group calls, vlog.
- Accurate and effective verbal communication skills: language and tone, pace, volume and projection, use of business terminology.
- Engaging non-verbal communication skills: conduct of presenter, positive attitude, well-rehearsed, body language, gestures and eye contact.

C1 Review of presentation

- Review of own skills demonstrated in the production and delivery of the presentation, to include:
  - skills demonstrated: written, summarisation, language and terminology, verbal communication, non-verbal communication, presentation, technical and practical
  - making supported judgements on strengths and weaknesses based on self-reflection and review: – what went well – what went less well or did not go to plan
  - recommendations for improvements to the production and delivery of the electronic presentation.

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Component 3 – Marketing and Finance for Enterprise

Learning Objectives

Learning Outcome A: Marketing Activities
Learning Outcome B: Financial Documents and Statements

What previous knowledge is required?

Content learnt from Component 1 and Component 2 as assessment is synoptic
Term 6, year 10 students learned about the financial statements

How will this term's content help with future learning?

Students will have a summative 2-hour exam in May of year 11.
The exam will test all aspects of knowledge and understanding and is the terminal assessment of the qualification.

National Curriculum / Specification

Learning Outcome A: Marketing Activities

A1 Targeting and segmenting the market

Learners will explore how and why enterprises may target their markets.

- Target market: the market an enterprise wants to sell its products to.
- Market segmentation: key differentiators that divide customers into groups to be targeted:

o demographics: age, race, religion, gender, family size, ethnicity, income,
o education level, socio-economic group
o geographic: location
o psychographic: social class, attitudes, lifestyle and personality characteristics
o behavioural: spending, consumption, rate of usage, loyalty status, desired benefits.

- Markets: Business to Business (B2B), Business to Consumer (B2C), niche, mass.

A2 4Ps of the marketing mix

Learners will explore the marketing mix, how and why traditional and digital marketing methods are used, and the importance of matching campaigns to the aims of enterprises.

- Product:
  - product portfolio: comprises all products (goods and services) of an enterprise
  - product life cycle: development, introduction, growth, maturity, decline
  - USP (unique selling point)
  - branding, brand personality, brand image.
- Price:
  - pricing strategies: penetration, skimming, competitive, cost-plus, premium.
- Place:
  - digital and physical distribution of products.
- Promotion:
  - promotional mix: advertising, Public Relations (PR), Online Public Relations (OPR), social media marketing, personal selling, direct marketing, sales promotion
  - 'above the line' and 'below the line' promotion.
- Multichannel marketing: using a range of traditional and/or digital methods.

A3 Factors influencing the choice of marketing methods

Learners will explore the factors influencing the choice of marketing methods for enterprises.

- Factors influencing the choice of marketing methods:
  - appropriateness for product and its brand image
  - speed/accessibility of information/ease of reaching target market
  - cost to the enterprise
  - competitors' activities
  - experience of the entrepreneur.

A4 Trust, reputation and loyalty

Learners will explore the importance of brand image and reputation on attracting and retaining customers of enterprises.

- Importance of brand image: perceptions of quality, value, variety and customer service.
- Importance of reputation: actions of the enterprise and how they affect public opinion
  - being environmentally friendly
  - rejecting unethical or controversial marketing strategies
  - responding to customer service issues quickly and efficiently
  - getting involved in the local community through help/donations/prizes.

Learning Outcome B: Financial documents and statements

B1 Financial documents

Learners will complete and interpret financial documents. Learners will explore the purpose, typical format, sequence and the part that each document plays when ordering, checking, recording and paying for goods and/or services.

- Types of financial documents: purchase orders, delivery notes, goods received notes, invoices, credit notes, statements of account, remittance advice slips, receipts.

- Importance of accuracy when these documents are being used.
- Importance of accurate financial documents and record-keeping to business accounting.

B2 Payment methods

Learners will explore why enterprises use some or all of the following payment methods.

- Payment methods: cash, credit cards, debit cards, direct debit, payment technologies.
- Impact on customers and enterprises of using different payment methods.

B3 Revenue and costs

Learners will explore the sources of revenue and costs for enterprises and how and why they can be minimised/maximised.

- Revenue/turnover.
- Start-up and running costs.

Component 3 – Marketing and Finance for Enterprise

Learning Objectives

Learning Outcome B: Financial Documents and Statements
Learning Outcome C: Financial planning and forecasting

What previous knowledge is required?

Content learnt from Component 1 and Component 2 as assessment is synoptic
Term 3 studies on marketing and financial documents and payment methods.
Term 6, year 10 students learned about the financial statements

How will this term's content help with future learning?

Students will have a summative 2-hour exam in May of year 11.
The exam will test all aspects of knowledge and understanding and is the terminal assessment of the qualification.
Students will be given a case-study of an SME and multiple related questions.
Students will have PPE's leading up to the exam.

National Curriculum / Specification

Learning Outcome B: Financial documents and statements

B4 Financial statements

Learners will complete and interpret financial statements for enterprises. Learners will explore how these financial statements could be of interest to the stakeholders of enterprises.

- Profit and loss account (statement of comprehensive income): shows the profit or loss of an enterprise over time:
  - revenue, cost of sales, expenses, gross profit, net profit (profit for the year).
- Balance sheet (statement of financial position): shows the financial performance
- of an enterprise at a point in time:
  - fixed (non-current) and current assets
  - working capital (net current assets)
  - long term (non-current) and current liabilities
  - debtors (accounts receivable) and creditors (accounts payable)
  - equity.
- Stakeholders: owner(s), managers, employees, lenders, government, customers and suppliers.

B5 Profitability and liquidity

Learners will explore how these financial statements could be of interest to the stakeholders of enterprises.
Learners will calculate profitability and liquidity for enterprises, and comment on the

results of these calculations.

- Difference between cash and profit.
- Difference between liquidity and profitability.
- Calculate profitability ratios from given formulae:
  - gross profit margin percentage (GPM) = (gross profit ÷ revenue) × 100
  - net profit margin percentage (NPM) = (net profit ÷ revenue) × 100.
- Calculate liquidity ratios from given formulae:
  - current ratio = current assets ÷ current liabilities
  - liquid capital ratio = (current assets − inventory) ÷ current liabilities.

Learning Outcome C: Financial planning and forecasting

C1 Budgeting

Learners will explore the range of budgets used by enterprises, calculate simple budget figures and comment on the results.

- Expenditure and revenue budgets:
  - capital expenditure
  - cash
  - labour
  - marketing/promotion
  - overheads
  - production
  - purchases/materials
  - revenue/sales.
- Difference between budgeting and budgetary control (checking performance against plan).
- Impact of favourable and adverse variances

C2 Cash flow

Learners will explore, complete and interpret cash flow forecasts and statements.
They will consider the differences between predicted and actual cash flow.

- Cash flow forecast: predicted inflows/receipts, outflows/payments, net inflows/outflows, opening and closing balances, surpluses, deficits.
- Purpose of cash flow forecasts:
  - to identify money coming in and going out of the enterprise over time
  - to determine the impact of timings of inflows and outflows
  - to determine positive and negative liquidity and make business decisions.
- Difference between forecasted and actual cash flows.

C3 Suggesting improvements to cash flow problems

Learners will explore the effects of positive and negative cash flow on enterprises and their stakeholders, identifying possible issues and suggesting solutions.

- Cash flow problems: cash surpluses, cash deficits.
- Suggested solutions to problems:
  - increasing revenue
  - selling off unused assets/inventory
  - chasing debtors for monies owed
  - cutting costs
  - delaying payment to suppliers
  - reducing credit period offered to customers
  - cutting back or delaying expansion plans

- o paying off debts
- o investment.

C4 Break-even point and break-even analysis

Learners will calculate the break-even point and margin of safety, construct and interpret a break-even chart, and recognise the strengths and limitations of break-even analysis.

- Fixed, variable and total costs, and total revenue.
- Break-even point, margin of safety, area of profit and area of loss.
- Importance to an enterprise of breaking even.
- Strengths and limitations of break-even analysis.

C5 Sources of business finance

Learners will explore why enterprises may plan different sources of finance for different purposes or at different stages, and the advantages and disadvantages of each source.

- Internal sources of finance:
- o personal sources: savings, credit cards, borrowing from friends and family
- o retained profits
- o sale of assets.
- External sources of finance:
- o long-term: mortgages, share capital, taking on new partners
- o medium-term: hire purchase (HP), leasing, loans, peer-to-peer lending (P2P),
- o investment from business angels
- o short-term: bank overdraft, crowdfunding, trade credit
- o government and charitable grants.

Component 3 – Marketing and Finance for Enterprise

Learning Objectives

Learning Outcome A: Marketing Activities
Learning Outcome B: Financial Documents and Statements
Learning Outcome C: Financial planning and forecasting

What previous knowledge is required?

Content learnt from Component 1 and Component 2 as assessment is synoptic
Term 3 and 4 studies on exam content is essential knowledge.
Term 6, year 10 students learned about the financial statements

How will this term's content help with future learning?

Students will have a summative 2-hour exam in May of year 11.
The exam will test all aspects of knowledge and understanding and is the terminal assessment of the qualification.
Students will be given a case-study of an SME and multiple related questions.
Students will have PPE's leading up to the exam.

National Curriculum / Specification

Learning Outcome A: Marketing Activities

- A1 Targeting and segmenting the market
- A2 4Ps of the marketing mix
- A3 Factors influencing the choice of marketing methods
- A4 Trust, reputation and loyalty

Learning Outcome B: Financial documents and statements

- B1 Financial documents
- B2 Payment methods
- B3 Revenue and costs
- B4 Financial statements
- B5 Profitability and liquidity

Learning Outcome C: Financial planning and forecasting

- C1 Budgeting
- C2 Cash flow
- C3 Suggesting improvements to cash flow problems
- C4 Break-even point and break-even analysis
- C5 Sources of business finance