

Key topic	Content	R	A	G
Topic 1.1 Enterprise and entrepreneurship 1.1.1 The dynamic nature of business	Why new business ideas come about: <ul style="list-style-type: none"> • Changes in technology • Changes in what consumers want • Products and services becoming obsolete How new business ideas come about: <ul style="list-style-type: none"> • Original ideas • Adapting existing products/services/ideas 			
1.1.2 Risk and reward	The impact of risk and reward on business activity: <ul style="list-style-type: none"> • Risk: business failure, financial loss, lack of security • Reward: business success, profit, independence 			
1.1.3 The role of business enterprise	The role of business enterprise and the purpose of business activity: <ul style="list-style-type: none"> • To produce goods or services • To meet customer needs • To add value: convenience, branding, quality, design, unique selling points The role of entrepreneurship: <ul style="list-style-type: none"> • An entrepreneur: organises resources, makes business decisions, takes risks 			
Topic 1.2 Spotting a business opportunity 1.2.1 Customer needs	Identifying and understanding customer needs: <ul style="list-style-type: none"> • What customer needs are: price, quality, choice, convenience • The importance of identifying and understanding customers: generating sales, business survival 			
1.2.2 Market research	The purpose of market research: <ul style="list-style-type: none"> • To identify and understand customer needs • To identify gaps in the market • To reduce risk • To inform business decisions Methods of market research: <ul style="list-style-type: none"> • Primary research: survey, questionnaire, focus group, observation • Secondary research: internet, market reports, government reports • The use of qualitative and quantitative market research data The use of data in market research: <ul style="list-style-type: none"> • Qualitative and quantitative data • The role of social media in collecting market research data • The importance of the reliability of market research data 			
1.2.3 Market segmentation	How businesses use market segmentation to target customers: <ul style="list-style-type: none"> • Identifying market segments: location, demographics, lifestyle, income, age • Market mapping to identify a gap in the market and the competition 			

1.2.4 The competitive environment	<p>Understanding the competitive environment:</p> <ul style="list-style-type: none"> • Strengths and weaknesses of competitors based on: price, quality, location, product range and customer service • The impact of competition on business decision making 			
<p>Topic 1.3 Putting a business idea into practice</p> <p>1.3.1 Business aims and objectives</p>	<p>What business aims and business objectives are</p> <p>Business aims and objectives when starting up:</p> <ul style="list-style-type: none"> • Financial aims and objectives: survival, profit, sales, market share, financial security • Non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control <p>Why business aims and objectives differ between businesses</p>			
1.3.2 Business revenues, costs and profits	<p>The concept and calculation of:</p> <ul style="list-style-type: none"> • Revenue • Fixed and variable costs • Total costs • Profit and loss • Interest • Break-even level of output • Margin of safety <p>Interpretation of break-even diagrams:</p> <ul style="list-style-type: none"> • The impact of changes in revenue and costs • Break-even level of output • Margin of safety • Profit and loss 			
1.3.3 Cash and cash-flow	<p>The importance of cash to a business:</p> <ul style="list-style-type: none"> • To pay suppliers, overheads and employees • To prevent business failure (insolvency) • The difference between cash and profit <p>Calculation and interpretation of cash-flow forecasts:</p> <ul style="list-style-type: none"> • Cash inflows • Cash outflows • Net cash flow • Opening and closing balances 			
1.3.4 Sources of business finance	<p>Sources of finance for a start-up or established small business:</p> <ul style="list-style-type: none"> • Short-term sources: overdraft and trade credit • Long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding 			
<p>Topic 1.4 Making the business effective</p> <p>1.4.1 The options for start-up and small businesses</p>	<p>The concept of limited liability:</p> <ul style="list-style-type: none"> • Limited and unlimited liability • The implications for the business owner(s) of limited and unlimited liability <p>The types of business ownership for start-ups:</p> <ul style="list-style-type: none"> • Sole trader, partnership, private limited company • The advantages and disadvantages of each type of business ownership <p>The option of starting up and running a franchise operation:</p> <ul style="list-style-type: none"> • The advantages and disadvantages of franchising 			

1.4.2 Business location	<p>Factors influencing business location:</p> <ul style="list-style-type: none"> • Proximity to: market, labour, materials and competitors • Nature of the business activity • The impact of the Internet on location decisions: e-commerce and/or fixed premises 			
1.4.3 The marketing mix	<p>What the marketing mix is and the importance of each element:</p> <ul style="list-style-type: none"> • Price, product, promotion, place <p>How the elements of the marketing mix work together:</p> <ul style="list-style-type: none"> • Balancing the marketing mix based on the competitive environment • The impact of changing consumer needs on the marketing mix • The impact of technology on the marketing mix: e-commerce, digital communication 			
1.4.4 Business plans	<p>The role and importance of a business plan:</p> <ul style="list-style-type: none"> • To identify: the business idea; business aims and objectives; target market (market research); forecast revenue, cost and profit; cash-flow forecast; sources of finance; location; marketing mix <p>The purpose of planning business activity:</p> <ul style="list-style-type: none"> • The role and importance of a business plan in minimising risk and obtaining finance 			
<p>Topic 1.5 Understanding external influences on business</p> <p>1.5.1 Business stakeholders</p>	<p>Who business stakeholders are and their different objectives:</p> <ul style="list-style-type: none"> • Shareholders (owners), employees, customers, managers, suppliers, local community, pressure groups, the government <p>Stakeholders and businesses:</p> <ul style="list-style-type: none"> • How stakeholders are affected by business activity • How stakeholders impact business activity • Possible conflicts between stakeholder groups 			
1.5.2 Technology and business	<p>Different types of technology used by business:</p> <ul style="list-style-type: none"> • e-commerce • Social media • Digital communication • Payment systems <p>How technology influences business activity in terms of:</p> <ul style="list-style-type: none"> • Sales • Costs • Marketing mix 			
1.5.3 Legislation and business	<p>The purpose of legislation:</p> <ul style="list-style-type: none"> • Principles of consumer law: quality and consumer rights • Principles of employment law: recruitment, pay, discrimination, and health and safety <p>The impact of legislation on businesses:</p> <ul style="list-style-type: none"> • Cost • Consequences of meeting and not meeting these obligations 			

1.5.4 The economy and business	The impact of the economic climate on businesses: <ul style="list-style-type: none"> unemployment, changing levels of consumer income, inflation, changes in interest rates, government taxation, changes in exchange rates 			
1.5.5 External influences	The importance of external influences on business: <ul style="list-style-type: none"> Possible responses by the business to changes in: technology, legislation, the economic climate 			

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Topic 2.1 Growing the business 2.1.1 Business growth	Methods of business growth and their impact: <ul style="list-style-type: none"> internal (organic) growth: new products (innovation, research and development), new markets (through changing the marketing mix or taking advantage of technology and/or expanding overseas) external (inorganic) growth: merger, takeover. The types of business ownership for growing businesses: <ul style="list-style-type: none"> public limited company (plc) Sources of finance for growing and established businesses: <ul style="list-style-type: none"> internal sources: retained profit, selling assets external sources: loan capital, share capital, including stock market flotation (public limited companies). 			
2.1.2 Changes in business aims and objectives	Why business aims and objectives change as businesses evolve: <ul style="list-style-type: none"> in response to: market conditions, technology, performance, legislation, internal reasons. How business aims and objectives change as businesses evolve: <ul style="list-style-type: none"> focus on survival or growth entering or exiting markets growing or reducing the workforce increasing or decreasing product range 			
2.1.3 Business and globalisation	The impact of globalisation on businesses: <ul style="list-style-type: none"> imports: competition from overseas, buying from overseas exports: selling to overseas markets changing business locations multinationals. Barriers to international trade: <ul style="list-style-type: none"> tariffs trade blocs. How businesses compete internationally: <ul style="list-style-type: none"> the use of the internet and e-commerce changing the marketing mix to compete internationally. 			
2.1.4 Ethics, the environment and business	The impact of ethical and environmental considerations on businesses: How ethical considerations influence business activity <ul style="list-style-type: none"> possible trade-offs between ethics and profit 			

	<p>How environmental considerations influence business activity:</p> <ul style="list-style-type: none"> • possible trade-offs between the environment, sustainability and profit • the potential impact of pressure group activity on the marketing mix. 			
<p>Topic 2.2 Making marketing decisions 2.2.1 Product</p>	<p>The design mix:</p> <ul style="list-style-type: none"> • function, aesthetics, cost. <p>The product life cycle:</p> <ul style="list-style-type: none"> • the phases of the product life cycle • extension strategies. <p>The importance to a business of differentiating a product / service.</p>			
2.2.2 Price	<p>Price:</p> <ul style="list-style-type: none"> • pricing strategies • influences on pricing strategies: technology, competition, market segments, product life cycle 			
2.2.3 Promotion	<p>Promotion:</p> <ul style="list-style-type: none"> • appropriate promotion strategies for different market segments: advertising, sponsorship, product trials, special offers, branding • the use of technology in promotion: targeted advertising online, viral advertising via social media, e-newsletters. 			
2.2.4 Place	<p>Place:</p> <ul style="list-style-type: none"> • methods of distribution: retailers and e-tailers (e-commerce). 			
2.2.5 Using the marketing mix to make business decisions	<ul style="list-style-type: none"> • How each element of the marketing mix can influence other elements. • Using the marketing mix to build competitive advantage. • How an integrated marketing mix can influence competitive advantage. 			
<p>Topic 2.3 Making operational decisions 2.3.1 Business operations</p>	<p>The purpose of business operations:</p> <ul style="list-style-type: none"> • to produce goods • to provide services. <p>Production processes:</p> <ul style="list-style-type: none"> • different types: job, batch, flow • the impact of different types of production process: keeping productivity up and costs down and allowing for competitive prices. <p>Impacts of technology on production:</p> <ul style="list-style-type: none"> • balancing cost, productivity, quality and flexibility 			
2.3.2 Working with suppliers	<p>Managing stock:</p> <ul style="list-style-type: none"> • interpretation of bar graph stock graphs • the use of just in time (JIT) stock control. <p>The role of procurement:</p> <ul style="list-style-type: none"> • relationships with suppliers: quality, delivery (cost, speed, reliability), availability, cost, trust • the impact of logistics and supply decisions on: costs, reputation, customer satisfaction. 			

2.3.3 Managing quality	<p>The concept of quality and its importance in:</p> <ul style="list-style-type: none"> the production of goods and the provision of services: quality control and quality assurance. allowing a business to control costs and gain a competitive advantage. 			
2.3.4 The sales process	<p>The sales process:</p> <ul style="list-style-type: none"> product knowledge, speed and efficiency of service, customer engagement, responses to customer feedback, post-sales service. <p>The importance to businesses of providing good customer service.</p>			
<p>Topic 2.4 Making financial decisions</p> <p>2.4.1 Business calculations</p>	<p>The concept and calculation of:</p> <ul style="list-style-type: none"> gross profit net profit <p>Calculation and interpretation of:</p> <ul style="list-style-type: none"> gross profit margin net profit margin average rate of return. 			
2.4.2 Understanding business performance	<p>The use and interpretation of quantitative business data to support, inform and justify business decisions:</p> <ul style="list-style-type: none"> information from graphs and charts financial data marketing data market data. <p>The use and limitations of financial information in:</p> <ul style="list-style-type: none"> understanding business performance making business decisions. 			
<p>Topic 2.5 Making human resource decisions</p> <p>2.5.1 Organisational structures</p>	<p>Different organisational structures and when each are appropriate:</p> <ul style="list-style-type: none"> hierarchical and flat centralised and decentralised. <p>The importance of effective communication:</p> <ul style="list-style-type: none"> the impact of insufficient or excessive communication on efficiency and motivation barriers to effective communication. <p>Different ways of working:</p> <ul style="list-style-type: none"> part-time, full-time and flexible hours permanent, temporary, and freelance contracts the impact of technology on ways of working: efficiency, remote working 			
2.5.2 Effective recruitment	<p>Different job roles and responsibilities:</p> <ul style="list-style-type: none"> key job roles and their responsibilities: directors, senior managers, supervisors/team leaders, operational and support staff. <p>How businesses recruit people:</p> <ul style="list-style-type: none"> documents: person specification and job description, application form, CV recruitment methods used to meet different business needs (internal and external recruitment). 			

2.5.3 Effective training and development	<p>How businesses train and develop employees:</p> <ul style="list-style-type: none"> ● different ways of training and developing employees: formal and informal training, self-learning, ongoing training for all employees, use of target setting and performance reviews. <p>Why businesses train and develop employees:</p> <ul style="list-style-type: none"> ● the link between training, motivation and retention ● retraining to use new technology. 			
2.5.4 Motivation	<p>The importance of motivation in the workplace:</p> <ul style="list-style-type: none"> ● attracting employees, retaining employees, productivity. <p>How businesses motivate employees:</p> <ul style="list-style-type: none"> ● financial methods: remuneration, bonus, commission, promotion, fringe benefits ● non-financial methods: job rotation, job enrichment, autonomy. 			