# Business

# Unit 1 – The Business Environment

# Scheme of work

# (120 GLH)

## Introduction

This outline scheme of work (SOW) is to offer a perspective of how to deliver the Cambridge Technicals in Business. There are many alternatives methods and structures that could be used and therefore it is important to explore different methods of delivering the specification, considering different approaches depending on staffing and expertise within your centre and the resources you have available.

Consideration of how the **theoretical content** of the specification can be covered is best delivered in different ways, through:

* A variety of different teacher resources
* Stimulate discussions
* Group work
* Learner activities
* Variety of questions relating to all the different topics

Aiming for quality communication and professional standards of work will help to establish the connections between this qualification and real world practice.

# Overview of Allocation of GLH per Topic

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| **LO1:** Understand different types of businesses and their objectives | 15-19 GLH | **LO2:** Understand how the functional areas of businesses work together to support the activities of businesses | 3-5 GLH |
| **LO3:** Understand the effect of different organisational structures on how businesses operate | 8-10 GLH | **LO4:** Be able to use financial information to check the financial health of businesses | 13-17 GLH |
| **LO5:** Understand the relationship between businesses and stakeholders | 8-10 GLH | **LO6:** Understand the external influences and constraints on businesses and how businesses could respond | 27-30 GLH |
| **LO7:** Understand why businesses plan | 13-17 GLH | **LO8:** Be able to assess the performance of businesses to inform future business activities | 5-8 GLH |

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| **Week/ Lesson** | **Learning outcomes** | **Unit content to be covered, activities, links to useful resources** |
| 1 | Introduction   * What does it take to be a successful CTEC Business student? * Course structure and unit weightings * Introduction to the unit specification, guides and workbooks   *Approximately 1 hour* | **Unit content:**  An introduction to the ways of working and consideration to expectations of the class and course. Plagiarism, independent research and individual school policies on deadlines and standard ways of working can be discussed.   * **Activity 1 (10 minutes):** Imagine the most successful CTEC business student from last year’s course was here, after achieving a Distinction\* in her final marks. What advice do you think she would offer you now? Make a spider diagram of the kind of advice she would give. You will be discussing this with your group. (5 making list, 5 minutes discussing) * **Activity 2 (10 minutes):** What does good research look like? Discuss in pairs how you would go about researching a business. How would you check the validity of the information?   **Useful Resource:**   * Research Skills ( <https://www.ocr.org.uk/Images/168841-the-ocr-guide-to-research.pdf>) document should be given to students to support their independent research skills. * Independent learning: An outline of what makes a successful independent learner (<https://www.brightknowledge.org/study-skills/top-tips-for-independent-learning> )   **Suggested Resource:**  Each learning outcome could be accompanied by a research workbook, directing students to conduct research in to a business or businesses of their choice. This will help prepare students for the exam at the end of the unit. |

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| Session 1.1 | **Business Activity**  Knowledge   * Identify the key sectors of the UK economy Understanding * Analyse the interrelationships between the sectors Skills * Evaluate the impact of growth/decline in each of the sectors and their impact on the others   *Approximately 3 hours* | **Unit Content:**   * 1. different types of business activity (primary, secondary & tertiary) * What is GDP? * Define the sectors of the economy with examples for each * Get students to categorise a selection of businesses in to each sector * Short video here <https://www.youtube.com/watch?v=8KDxAWfMwf4> on difference between sectors   **Activity 1:** (20 minutes) Research Activity – Students can be given a handout with a writing frame or asked to conduct research in to the three sectors, directing them to look at:   * Key definitions for each sector * Examples of businesses that exist within each sector * Data on the current and historic levels of employment and GDP contributions by each sector.   **Activity 2:** (10 minutes) Using the Shell case study (<https://businesscasestudies.co.uk/business-activity/> ), students can look at the interdependence of the three sectors. Sectors are generally interdependent and the fortunes of one may affect the others. How could a decline in the secondary sector impact the other two sectors? Discuss this with the person sitting next to you.  ***Extension:*** *So, if there was a drop in demand in the tertiary sector, how might the other two sectors be affected?*  **Activity 3:** (40 minutes) *Teach the class* – students can be directed to the ONS resource (below) or given information on the changes in the structure of employment across the sector over the years. Each team will be given a sector to focus on. They then have to:   * Research their given sector, looking at employment trends and GDP contribution over the last 100 years * Prepare a three slide presentation on the changes that have taken place and the causes of these changes * Present their findings back to the class in 5 minute presentations. Students not presenting should be taking notes   **Useful Resources:**   * Tutor2u revision quiz - <https://www.tutor2u.net/business/blog/revision-quiz-economic-sectors> * ONS data on changes in employment includes a useful graph (figure 2a) <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/compendium/economicreview/april2019/longtermtrendsinukemployment1861to2018>   **Suggested Resource:**  Students could be given a work book for LO1, and homework/study periods could be used to conduct research in to their chosen business(es) for the topic just covered. Questions to address include:   * What sector does my chosen business operate in? * How does my chosen business rely on the other two sectors of the economy? |
| Session 1.2 | Sectors of Operation  **Knowledge**   * Identify the different Sectors of Operation   **Understanding**   * Explain the key features of each sector   **Skills**   * Discuss how the different sectors operate   *Approximately 2 hours* | **Unit content:**  **1.2:** The UK economy can be split in to three separate and distinct categories:   * **The Private Sector** – Privately owned businesses that exist to make a profit * **The Public Sector** – Government owned businesses, operated to provide a service * **The Third Sector** – Voluntary/charity organisations   Students can be given the Tutor2u blog (<https://www.tutor2u.net/business/blog/private-v-public-sector-a-clash-of-two-cultures>) to illustrate the differences between the public and private sector  **Activity 1:** (30 minutes) *Group Activity* – In groups of three, each student will be given an operating sector to investigate. Using a proforma or following directions from the teacher, the students will:   * Define the sector they have been given * Identify examples of businesses within that sector * Explain the ownership of their given type of business * Explain how profit is used by these businesses * Any statistics/information of value   Students will then reconvene in their teams and share their findings with their team. A class discussion can take place to smooth out any inconsistencies and share of good practice/examples  **Activity 2:** (10 minutes) The government is considering Privatising the Rail Services. Write to the Transport minister stating your opinion. Your letter should contain the following points:   * An explanation of the difference between private and public sector businesses * The possible benefits of the Rail service being in the private sector * The possible disadvantages of the postal service being in the private sector * Your recommendation to the minister on whether to keep the Rail service in the public sector or not.   **Homework** – What if it was the other way around, what if the government took ownership of the broadband network in the UK? What impact would this have. Write the same letter from this point of view.  (Useful article here <https://www.independent.co.uk/news/business/news/free-broadband-labour-plan-internet-wifi-nationalisation-a9205031.html>)  **Suggested Resource:**  Students can identify the operating sector of their chosen businesses, making sure to provide explanations as to the characteristics the business has that identifies it as operating in that. |
| Session 1.3 | Legal Ownership  **Knowledge**   * Describe the different ownership types   **Application**   * Analyse ownership types using real world examples   **Skill**   * Evaluate the suitability of ownership types for organisations   *Approximately 3 hours* | **Unit Content:**  **1.3:** different forms of business ownership  **1.4:** factors which inform business ownership  Limited/Unlimited liability and the impact these have on business operations.  Explanation of ownership types should include an analysis of the ownership types, explaining the benefits and drawbacks to different ownership types.   * Sole Trader * Partnership * Limited Company (PLC/LTD) * Franchise * Government Owned * Charity/Voluntary organisations   Short video here (GCSE Bitesize, but content is relevant) <http://www.bbc.co.uk/education/guides/z4br87h/video>  **Activity 1:** (30 minutes) Research & Presentation. In pairs/groups, students are going to research one of the ownership types of legal structure. The presentations will be delivered to the class. They must cover:   * A description of the ownership type and how they are set up * Example of businesses to fit the ownership type * Legal status/liability detail * How they are run/controlled * Benefits & drawbacks of the ownership type   ***Extension:*** *Create a handout to accompany your ownership type. It should include the key information of the presentation, but also include an exam style question*  **Activity 2:** (30 minutes) Present your findings (30 minutes - 5 minutes per ownership)  Students to present their findings to the class. Those not presenting should make notes. The final content can be made available on the school network drives or as a handout printed by the teacher.  **Useful Resources:**   * Students can be directed to the following sites to support their research: * <http://www.bbc.co.uk/education/guides/z4br87h/revision> Explanation of sole traders, partnerships and LTDs * <https://www.tutor2u.net/business/reference/public-limited-companies> PLC’s and LTD’s and the differences between them   **Suggested Resource:**  If the student booklet has been developed/used, the students can conduct their own research in to at least two businesses, outlining their ownership types and suggest how the ownership type suits their chosen businesses. |
| Session 1.4 | Aims & Objectives  **Knowledge**   * Describe the different types of objectives for business organisations   **Application**   * Analyse the different types of objectives using real world examples   **Skill**   * Evaluate the suitability of objectives set by different organisations   *Approximately 2 hours* | **Unit Content:**  **1.5:** Differing business aims and objectives  Students need to understand what aims and objectives are and how they differ. What are SMART objectives?  Differing business aims (survival, profit, growth, reputation, etc.)  **Activity 1:** (30 minutes) Researching your own businesses, identify what their aims and objectives are likely to be. Once you have done this, explain what type of business aim they have (survival, growth, etc.). Is this appropriate for the businesses investigated? Add this to your research in to your chosen businesses  **Extension:** Consider how achievable these are for your chosen businesses. Explain why you think they are achievable or not.  **Useful Resource:**   * <https://www.bbc.co.uk/bitesize/guides/z9gcd2p/revision/2> a short video on aims & objectives * <https://businesscasestudies.co.uk/aims-and-objectives/> case studies   **Suggested Resource:**  If students have a booklet to work in, this information should be included in their LO1 research booklet to support their exam research. |
| Session 2.1 | Introduction to Functional Areas  **Knowledge**   * Describe the functional areas of a business   **Application**   * Explain how the functional areas work in Bosch and Alnwick Gardens   **Skills**   * Explain how the functional areas actually work together to meet objectives   *Approximately 3 hours* | **Unit Content:**  **2.1:** key tasks of functional areas of businesses  From Apple to your local self-employed window cleaner, all businesses have to conduct certain activities to ensure the business runs smoothly (finance, for example). They simply differ in their scale.  Functional areas include:   * finance * marketing * sales * human resources (HR) * operations management * customer services * business support services * research and development * purchasing/procurement   **Activity 1:** (10 minutes) Make a list of the common activities in business (identify the activities all businesses have to take care of)  **Activity 2:** (30 minutes) *Case Study* – Students have been investigating at least two businesses in preparation for their exam in Unit 1. They are to choose one of these businesses and write a case study on their functional areas. The case study should include:   * An introduction paragraph outlining who the business is and their core business activities * Illustrate the roles of the functional areas using your chosen business as an example (so, what does the finance department do, specifically for your chosen business?)   **Activity 3:** (10 Minutes)*Scenarios* – No functional area can work in isolation. The marketing department will always need to know their budget. Human resources will need to know the skills required by the R&D department and so on.  For your chosen business, create two separate scenarios, each one involving at least two functional areas working together. Share your scenario with a partner and write down one of theirs.  **Homework:**  For next lesson, identify the links between three different functional areas in your chosen business. Explain why these links are so important to the business, using specific examples to illustrate  **Useful Resource:**   * <https://www.tutor2u.net/business/reference/functions-in-a-business> - Reader * <https://ocr.org.uk/Images/320600-functional-areas-in-business.doc> - Reader and activities |
| Session 3.1 | Organisational Structures  **Knowledge**   * Describe what an organisation chart is   **Understanding**   * Distinguish between the different types of organisational structure chart   **Skills**   * Identify the type of organisational structure your chosen business has through research   *Approximately 3 hours* | **Unit Content:**  **3.1:** different organisational structures  An organisation structure is required as soon as there are several people working in the business. The structure determines who is responsible for what and for whom.  There are different ways to organise a business and they each have their own benefits and drawbacks and suitability to a particular organisation. These include:   * By location (Barratt Homes, Microsoft, Google) * By Function (Tesco, Marriott) * By Product (Sony, Samsung)   **Tall structures** tend to have a long chain of command meaning a slow decision making and often poor communication. However it can lead to good promotional prospects due to many levels  **Flat structures** can respond quickly due to good communication. However, there are fewer opportunities for promotion as this structure has less layers of management.  **3.2:** elements of organisational structures  A **wide span** of control is effectively where the manager has many people beneath them. The more people under the control of one manager, the wider the span  **Narrow Spans** mean that the manager has few people beneath them. Each person with responsibilities here has a span of at least two.  **Centralised:** A business whose decision-making comes from one place only is known as a centralised organisation. Normally Head Office will decide on the major elements of strategy  **Decentralised:** Responsibility for specific decisions across outlets and lower level managers, including branches or units located away from head office, is spread out  **Activity 1:** (10 minutes) Discuss the need for a hierarchy. Why do businesses separate their activity in to roles? Identify the most common functions for a business.  **Activity 2:** (20 minutes) Construct a basic hierarchy for a case study business (use slides from [https://www.tutor2u.net/\_legacy/blog/files//Human\_Organisation\_Chart.pptx](https://www.tutor2u.net/_legacy/blog/files/Human_Organisation_Chart.pptx) or a business of your choice). Discuss and share with the class the benefits and drawbacks of constructing a hierarchy (unit content 3.4)  **Activity 3:** (30 minutes) Research activity – conduct research in to your chosen business. Identify their organisational structure type and comment on the features  **Useful Resource:**   * <https://opentextbc.ca/strategicmanagement/chapter/creating-an-organizational-structure/> (hierarchies case study/reading) |
| Session 3.2 | Structure and operations  **Knowledge**   * Identify the key types of organisational structure   **Understanding**   * Distinguish between the different types of organisational structure chart   **Skills**   * Explain the impact that different charts can have on a business’ operations (how they work)   *Approximately 2 hours* | **Unit Content:**  **3.3** how the elements of the organisational structures impact on businesses operations, i.e.   * communication paths * accountability, authority and responsibility * delegation * empowerment   **Activity 1:** (10 minutes) Recap - Pair up with someone. One of you will outline the benefits and drawbacks of having a centralised organisation. The other will outline the benefits and drawbacks of having a decentralised organisation. Discuss your findings  **Activity 2:** (10 minutes) Using the hierarchy from last lesson, identify the communication path for information for a given scenario. Example scenarios can include:   * Customer service problem (customer makes a complaint; staff need to pass it up the chain of command) * Delegated responsibility (Finance director wants a report on department budgets collated and put together)   **Activity 3:** (20 minutes) Student case study: Using the research in to your chosen business, create a simple scenario that illustrates:   * Where the instructions came from (chain of command) * Who will be responsible (Delegation/Empowerment)   **Suggested Resource:**  If a student booklet is provided, students can analyse their chosen businesses’ hierarchies, describing their business using key terminology covered in this outcome. Students should comment on the suitability of the organisational structure type of their businesses  **Homework:**  Exam style questions:  *Identify one benefit and one drawback of a company having a tall structure*  *Define the term delayering and outline a key objective of delayering*  *Analyse the consequences of a business having a narrow span of control*  *How would you describe the organisational structure of your chosen business? Why does this suit the business?* |
| Session 4.1 | Financial information and health  **Knowledge**   * The key features of a Profit and Loss Account.   **Understanding**   * Explain the reasons why stakeholders are interested in the businesses accounts.   **Skills**   * Create a Profit & Loss Account and evaluate its importance.   *Approximately 3 hours* | **Unit Content:**  Students can be introduced to the concept of revenue, costs and profit using the tutor2u match up activity (<https://www.tutor2u.net/economics/reference/costs-and-revenues-match-up-activity>)  **4.1: Revenue** is money coming into the business from the sale of products and services.  **Profit** is the reward businesses get for being entrepreneurial and taking a risk  **4.2: Profit & Loss:** A profit and loss account summarises all of a business’s revenue and costs over a period of time, usually a year. The business then uses the figures in it to work out how much profit or loss it made.  **Activity 1:** (10 minutes)*Starter:**Write a definition of two of the following:*   * *Cost* * *Revenue* * *Profit* * *Break even* * *Net Cash Flow* * *Loss*   Find someone in the class who has chosen a different term to you and share  **Activity 2:** (10 minutes) Nathan writes Apps for mobile phones. He sells each app for £2. How many will he make if he sells:   * 10 units * 20 units * 257 units   **Activity 3:** (15 minutes) Annotate a P&L account – Provide the students with an example P&L account for them to annotate. Key terms should be defined (Sales, costs, gross/net profit, etc.). Good examples can be found on the OCR past papers for Cambridge Technical in Business, or make use of actual P&L accounts from businesses (<https://www.about.sainsburys.co.uk/~/media/Files/S/Sainsburys/documents/reports-and-presentations/2019/Interims%201920%20RNS.pdf>)  **Activity 4:** (30 minutes) Construct a P&L account from given data. The data should cover two years or more for comparison. Assess the performance of the business based on the data provided. How could the business improve?  **Useful Resources**   * <https://www.raymondgeddes.com/rgc/files/lp10-profit-and-loss.pdf> * Level 2 resource, but useful for introduction <https://teejaymaths.com/wp-content/uploads/2016/04/Finance-Level-2-Profit-Loss.pdf> * OCR Past Paper January 2019 – Playwright case study for past questions |
| Session 4.2 | Breakeven  **Knowledge**   * Identify the terms used in business analysing break even   **Understanding**   * Explain How costs behave when calculating break-even   **Skills**   * Analyse the break-even of a business   *Approximately 2 hours* | **Unit Content**  **4.2:** How to calculate breakeven  Breakeven is the point at which revenue equals cost so your business is making neither a profit nor a loss. Components of breakeven:   * Fixed Costs * Variable Costs * Contribution (Selling price p/u – variable costs p/u) * Margin of Safety   **Limitations of breakeven**   * Break-even analysis assumes that every item produced is sold * In a service business the prices may differ * Costs may increase * It’s only a best guess of what may happen * In some businesses the fixed costs are shared across a portfolio of products for example a bakery may produce; crumpets, bread, rolls and tortillas in the same factory. All these products share fixed costs.   **Activity 1:** (10 minutes) Quick Task – Calculate the contribution for:   1. You sell cricket bats for £25, they cost £14 to make 2. You sell sea shells down on the sea shore for £10 a bag and they cost £3 to put together 3. You sell red and yellow lorries for £5 each in your shop and they cost £1 to import from China   **Activity 2:** (10 minutes) Assume a selling price of £6, variable costs of £1 per unit and fixed costs are £50,000 per year – the break even point for Tippins’ Toys would be:   * Contribution = £6 – £1 = £5 * Break Even = £50,000/£5 = 1,000 units   **Activity 3:** (20 minutes) Lucy sets up a business to print T-shirts. The fixed costs of premises and the T-shirt printers are ***£3000***. The variable costs per T-shirt (the T-shirt, ink, wages, etc.) are ***£5***. Each printed T-shirt sells for ***£25***  Extension: Change the variables to understand how breakeven can be impacted (increases in fixed/variable costs, increases/decreases in price, etc.).  **Activity 4:** (10 minutes) Label a breakeven chart, including:   * Fixed Costs * Variable Costs * Revenue * Total Costs * Break-even point * Margin of Safety   **Useful Resources:**   * <https://www.business-case-analysis.com/break-even-analysis.html> - Break-even case study * <https://www.tutor2u.net/business/blog/breakeven-and-profit-calculations-practice-case-study-sas> - Revision/reader information * <http://www.baskent.edu.tr/~sureten/MS-%20WS-1%20(Breakeven).doc> – Breakeven worksheets |
| Session 4.3 | Cash Flow Forecasting  **Knowledge**   * Define the key terms related to cash flow   **Understanding**   * Explain how a profitable business can fail   **Skills**   * Analyse the importance of cash flow management   *Approximately 3 hours* | **Unit Content:**  **4.3:** Cash flow statements and cash flow forecasts  **Cash Flow –** The cash inflows (money received) and outflows (money paid out) over a period of time within a business. Every business needs to be able to maintain daily cash flow. It needs enough to pay staff wages when they fall due and to pay invoices when required. The cash flow cycle can be expressed as a period of time (60 days, for example).  **Cash flow vs profit**: ‘Insolvency’- where a business does not have enough money to continue to operate. AND, a profitable business can become **insolvent.** Insolvency can happen when:   * Allowing a customer too long to pay you * Over purchasing (assets) * Expanding too quickly   **Activity 1:** (10 minutes) Simple Task – Identify in a table all the cash inflows and outflows. Discuss these with the person sitting next to you to cover the whole list.  **Activity 2:** (30 minutes) Complete an example cash flow forecast. Example here <https://ocr.org.uk/Images/163991-cash-flow-forecast-activity-teacher-instructions-.pdf>  Extension: Consider the impact of unforeseen increases in cash outflow. How financially healthy is the business in these scenarios? Impact on cash flow?  **Activity 3:** (15 minutes) Exam Style Questions:   * Define the terms Cash Flow, Cash In-Flow, Cash Out-Flow and Insolvency * Explain ONE reason why cash flow management is important to a business * Analyse ONE consequence of poor cash flow management * Explain how a profitable business can fail   **Useful Resource:**   * OCR past paper January 2018 (Lush Cereal case study) <https://www.ocr.org.uk/Images/512704-combined-feedback-unit-01.pdf> * Free worksheet on TES resources <https://www.tes.com/teaching-resource/cash-flow-forecasting-worksheets-6265786> |
| Session 5.1 | Stakeholders  **Knowledge**   * Identify the influence stakeholders have on business strategy   **Understanding**   * Explain how the points of view of stakeholders can impact a business’ strategy   **Skill**   * Evaluate the influence stakeholders have over the formulation of business strategy   *Approximately 2 hours* | **Unit Content:**  **5.1:** Who the main stakeholders are  The fortunes of a business are interesting to more than just the owners. Students can start by drawing a spider diagram. Stakeholders are groups/individuals that are affected by and/or have an interest in the operations and objectives of the business   * The interests of stakeholders need to be considered carefully when making strategic decisions. * The success of a strategy will depend on the reaction of stakeholders as without their support, business operations are not likely to succeed   **Internal stakeholders** are groups within a business  **External stakeholders** are groups outside a business  **Activity 1:** (10 minutes) Look back at the starter task (creating a list of stakeholders) and identify which ones would make up the top 3 most influential in a business. Students can also identify the internal and external stakeholders on their lists  *Students can be given a scenario where different stakeholders have different levels of impact to challenge these perceptions of the ‘most’ influential.*  **Activity 2:** (20 minutes) Stakeholder Objectives – Students need to consider the stakeholders for their chosen businesses. Each stakeholder will want something from the business. Students must identify:   * The stakeholder (including identification of internal/external) * The stakeholder’s interest (employer, provider of service, etc.) * The stakeholder objectives (fair pricing, high quality, prompt payment)   Pair and share with someone else in the class who has a different chosen business  **Useful Resource:**   * Kellogg’s case study on stakeholders - <https://businesscasestudies.co.uk/stakeholder-engagement/> * Engaging with stakeholders <https://www.bsr.org/en/our-insights/case-study-view/twin-metals-minnesota-using-early-stakeholder-engagement> * Stakeholder map activity <https://www.ibm.com/design/thinking/page/toolkit/activity/stakeholder-map>   **Suggested Resource:**  If the students have been given work books to support their research in to specific businesses, one could be provided to have students investigate their chosen businesses and identify the key stakeholders |
| Session 5.2 | Stakeholder Influence  **Knowledge**   * Identify the influence stakeholders have on business strategy   **Understanding**   * Explain how the points of view of stakeholders can impact a business’ strategy   **Skill**   * Evaluate the influence stakeholders have over the formulation of business strategy   *Approximately 2 hours* | **Unit Content:**  **5.2:** Every stakeholder group wants to know that the business is considering them in their actions and behaviours. Each of the stakeholders you have looked at will have their own objectives. As such, they will each aim to ensure that the business’ behaviour meets their needs/wants.  **Activity 1:** (30 minutes) Each of you has been given a stakeholder to consider. You are going to:   * Identify the stakeholder type (internal/External) * Describe their interest in the business * Explain how they can influence business behaviour * Find a case study or news example of this stakeholder group impacting on the business   **Activity 2:** (20 minutes) Discuss your findings and share your case study/news information with your group. Make sure you cover:   * The influence the stakeholder has on the business * HOW they can impact on business behaviour * Any interesting elements of your case study/news report   **Suggested Resource:**  If the students have been given work books to support their research in to a business. Students need to research the stakeholders in their business and consider the influence each stakeholder has over the business. Students could suggest a scenario where the influence of different stakeholder groups can be demonstrated (planning an expansion, new product release  **Useful Resource:**   * Stakeholder Influence Matrix - <http://www.mspguide.org/tool/stakeholder-analysis-importanceinfluence-matrix> * Engaging with stakeholders - <https://businesscasestudies.co.uk/engaging-with-stakeholders/> |
| Session 5.3 | Stakeholder Conflict  **Knowledge**   * Identify the potential conflicts between stakeholder groups   **Understanding**   * Explain why these conflicts exist   **Skill**   * Suggest how businesses deal with these stakeholder conflicts   *Approximately 2 hours* | **Unit Content:**  **5.3:** Stakeholder conflict  It is important for a business to balance the interest of its various stakeholders. Different stakeholder groups have different priorities, for example:   * Shareholders expect the business to make a profit and receive a return on their investment. * Employees require good working conditions if they are to be retained. * Investors may want to see evidence of how a company responds to environmental issues before committing money to the business   **Activity 1:** (25 minutes) Read the articles on the Heathrow third runway   * What are the stakeholder viewpoints? * How do they differ? * What is the key conflict here?   **Activity 2:** (30 minutes) Role playing conflict - You will be given the role of a stakeholder to consider in this example  Consider their view points. How do you think they would feel? You must produce an argument for or against the runway, depending on the stakeholder you’ve been given  In your groups, you are going to plead your case for or against the development.  **Activity 3:** (30 minutes) Individually, research and present a case study for a business (given to you by your teacher) on how the public and other stakeholder reactions to an issue led to the company changing policy, outlining the problem, the involvements and the outcome  **Useful Resource:**   * CSR & Stakeholders - <https://businesscasestudies.co.uk/corporate-responsibility-and-stakeholders/> * Heathrow stakeholder conflict - <https://www.bbc.co.uk/news/business-48668001> * Short video on resolving stakeholder conflict <https://www.youtube.com/watch?v=934VFgdZ2ac>   **Suggested Resource:**  If the students have been given work books to support further research could be done in to scenarios or recent news of stakeholders becoming involved in a plan or the daily operation of the business they are investigating. |
| Session 6.1 | External Influences  **Knowledge**   * Identify the key external factors impacting business   **Understanding**   * Describe the elements of PESTLE   **Skill**   * Explain the use of a PESTLE analysis in business strategy   *Approximately 3 hours* | **Unit Content:**  **6.1:** Introduction to the concept of the external environment/PESTLE analysis  Various **external** factors can impact the ability of a business or investment to achieve its strategic goals and objectives. The PESTLE analysis is a business analysis tool that aims to look at external factors and how they may have an impact on the business. This aids strategic and tactical decision making, objective setting and helps a business to reach its goals.  **Activity 1:** (15 minutes) Discuss with the person sitting next to you a recent example that has been in the news or that you are aware of, that you consider to be an external influence  Apply it to the PESTLE model. Where would it fit?  **Activity 2:** (15 minutes) Read over the Netflix (<https://businessteacher.org.uk/pestel/netflix.php>) case study. Explain the value of conducting this type of analysis before making strategic decisions, to a company like Netflix.  Table talk/share your ideas with your table.  ***Students will be conducting a full PESTLE analysis later in the unit, after the content has been taught.***  **Useful Resource:**  Case Study materials <https://businessteacher.org.uk/pestel/>  Business case study for PEST <https://businesscasestudies.co.uk/pest-analysis-2/>  **Suggested Resource:**  If students have been working in booklets to support their research, one could be provided on the PESTEL model, asking students to conduct their own research in to what PESTEL means and the individual components therein. |

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| Session 6.2 | Economic Factors: Inflation  **Knowledge**   * Define the term ‘Inflation’   **Understanding**   * Explain the importance of ‘Inflation’ to customers and businesses   **Skill**   * Evaluate the impact of inflation on a business’ strategy   *Approximately 2 hour* | **Unit Content:**  **6.1, 6.2, 6.3:** Inflation is the general increase of the price of goods and services in the UK. Students should be encouraged to make use of the BBC economy tracker (<https://www.bbc.co.uk/news/10613201>) or similar resource for actual examples of the economy at work.  **Inflation** is defined as a sustained increase in the general level of prices for goods and services. It is measured as an annual percentage increase. As inflation rises, every pound you own buys a smaller percentage of a good or service. So, when inflation goes up, there is a decline in the purchasing power of money.  *For example, if the inflation rate is 2% annually, then theoretically a £1 can of drink will cost £1.02 in a year. After inflation, your pound can't buy the same goods it could before.*  **Activity 1:** Short Task (10 minutes) Discuss with the person sitting next to you what impact inflation might have on customers and businesses  **Activity 2:** (25 minutes) Compare the impact and responses of businesses and consumer in a table of a significant increase in the rate of inflation.     |  |  |  | | --- | --- | --- | |  | Businesses | Consumer | | Impact |  |  | | Response |  |  |   **Activity 3:** (10 minutes) Review Task - CPI currently stands at 0.0% [up from -0.1%] which is very low and a result of a range of factors from lower fuel prices to reduced costs/prices (among others).  Discuss how the **significant** drop in inflation over the past year is likely to impact a business & customer  **Useful Resource:**   * BBC Economy tracker <https://www.bbc.co.uk/news/10613201> * YouTube video on Inflation <https://www.youtube.com/watch?v=LWrweGapols>   **Suggested Resource:**  If a booklet is provided to support research in to a chosen business, then students can be prompted to research the current rate of inflation and how high/low it is. This can then develop in to scenarios on the impact this level of inflation can have |
| Session 6.3 | Economic Factors: Interest Rates  **Knowledge**   * Define the term ‘interest’ in business   **Understanding**   * Explain the impact interest rates can have on businesses and customers   **Skill**   * Evaluate the impact fluctuations in interest rates can have on businesses   *Approximately 2 hours* | **Unit Content:**  **6.1, 6.2, 6.3:** An interest rate is the cost of borrowing money or the return for investing money.  Imagine you want to borrow £10,000 to buy a car. The Interest rate is 10% PA. how much interest do you pay in the first year?  Now, imagine the interest rate changes from 10% to 20% before you sign your loan agreement. NOW how much do you pay?  **Activity 1:** (10 minutes) Quick Question – Do you think increasing interest rates will increase consumer spending or decrease it? Be prepared to explain your answer  **Activity 2:** (20 minutes) Complete the handout for either an increase or decrease in interest rates. How does each group respond? What impact might this have?    **Activity 3:** (10 minutes) Plenary - Explain how interest rates can be used to help control inflation  **Useful Resource:**   * Short YouTube video to explain impact of interest rates <https://www.youtube.com/watch?v=Rx-8NkKO0tw> * ‘Reach the peak’ activity on Tutor2u <https://www.tutor2u.net/economics/blog/interest-rates-play-the-reach-the-peak-activity>   **Suggested Resource:**  If a booklet is provided to support research in to a chosen business, then a section could be included that would ask students to research the current interest rate and how high/low it is. This can then develop in to scenarios on the impact an increase or decrease can have on their chosen business |
| Session 6.4 | External Influences: Exchange Rates  **Knowledge**   * Describe how exchange rates work   **Application**   * Explain fluctuations in the currency in recent years   **Skill**   * Evaluate how currency fluctuations can impact a business strategy and how they react to these changes   *Approximately 2 hours* | **Unit Content:**  **6.1, 6.2, 6.3:** An exchange rate is the value of one currency expressed in terms of another.So, the value of the £ is expressed as:  *Worth $1.54, €1.15, AU$1.61, etc.*  A currency that is getting **stronger (or appreciating)** is a currency that is going up in value against another. So ***£1:$1.54*** moving to ***£1:$1.84*** means the pound is getting stronger  A currency that is becoming **weaker or depreciating** is a currency that is going down in value against another. So ***£1:$1.54*** moving to ***£1:$1.3*** means the pound is getting weaker  **Activity 1:** (45 minutes) Research Activity – How is the Pound doing? Find one news article from the past three months that comments on the strength of the GBP against other currencies. Summarise the article and highlight key points. Consider:   * Has the £ appreciated or depreciated? * Is it currently seen as stronger or weaker than previous time periods? * What other key points are made in the article?   **Activity 2:** (25 minutes) Importers vs exporters – Complete a table comparing the impacts of increases and decreases in the strength of the currency   |  |  |  | | --- | --- | --- | |  | Importer | Exporter | | £ Strengthens |  |  | | £ Weakens |  |  |   **Activity 3:** (20 minutes) Discuss on your tables the impact Brexit had on the £ and what this could mean for businesses in the UK  **Useful Resource:**   * Article on impact of Brexit on the currency <https://www.bbc.co.uk/news/business-46862790> * Case study on exchange rates <https://businesscasestudies.co.uk/exchange-rates-2/>   **Suggested Resource:**  If students are provided with research project booklets, a section can be added that would ask students to consider the impact the current exchange rate is having on the UK economy and how any fluctuations might impact their chosen businesses. |
| Session 6.5 | External Influences: Legal Factors (Consumer Protection)  **Knowledge**   * Identify the laws that protect consumers   **Understanding**   * Discuss the effects of these laws on business practices   **Skills**   * Evaluate the impact these laws may have on business development   *Approximately 3 hours* | **Unit Content:**  **6.1,6.2,6.3:** The consumer has basic legal rights if the product is:   * given a misleading description * of an unsatisfactory quality * not fit for its intended purpose   **Consumer Protection Act -** This protects the public by prohibiting the manufacture and supply of unsafe goods and making manufacturers of a defective product responsible for damage it causes.  **Sale and Supply of Goods Act -** This states that goods must be of satisfactory quality  **Supply of Goods and Services Act** - ensures that traders provide services to an adequate standard of workmanship  **Activity 1:** (10 minutes) Discuss how each act would impact a business. Consider:   * Cost issues * Operational issues * Image/reputation   **Activity 2:** (10 minutes) Exam style question – Explain two ways a business that you have researched complies with consumer protection legislation (4 marks)  **Useful Resource:**   * YouTube video on consumer protection <https://youtu.be/uDgT-w2qhuE> * Coca-Cola under fire video - <https://www.youtube.com/watch?v=qVBFdU3oIN8>   **Suggested Resource:**  If students have been given a project or research booklet, they can consider each Act and its potential impact on their chosen business(es) making sure to consider the consequences of failing to follow the laws and the costs of implementing them |
| Session 6.6 | External Influences: Legal Factors (Employee Legislation)  **Knowledge**   * Identify the laws that protect employees   **Understanding**   * Discuss the effects of employee protection on a business   **Skills**   * Evaluate the impact these laws may have on business development   *Approximately 2 hours* | **Unit Content:**  **6.1,6.2,6.3:** Employees are a resource to businesses, but they are a resource that need protection from exploitation. Employees have certain legal rights, given to them by:   * Equality Act * Health & Safety at Work Act * Working Time Directive * National Minimum Wage Act * Data Protection Act   **Activity 1:** (10 minutes) Quick Task – Discuss what a contract of employment might cover. Be prepared to share your suggestions with the class.  **Activity 2:** (15 minutes)This is the current National Minimum Wage (see <https://www.bbc.co.uk/news/uk-politics-48445674>) . What is the likely impact of the increase coming in 2020 [£9p/h]? Would this be a positive or negative change? (or both?). Explain your answer.  **Activity 3:** (20 minutes) Exam Style Question - Evaluate possible consequences to Marcin Holidays Ltd if it failed to comply with the Data Protection Act.  (Marcin case study in the OCR Past Paper January 2017 for Unit 1 - <https://www.ocr.org.uk/Images/416607-combined-feedback-the-business-environment.pdf>)  **Useful Resource:**   * Case study on employment legislation - <https://businesscasestudies.co.uk/employment-legislation/> * Minimum wage outline and history - <https://www.bbc.co.uk/news/uk-politics-48445674>   **Suggested Resource:**  If the students have been working on a research booklet/project, they can consider each Act and its potential impact on their chosen business(es) making sure to consider the consequences of failing to follow the laws and the costs of implementing them |
| Session 6.7 | External Influences: Legislation (Other Laws)  **Knowledge**   * Identify the **other** laws that might impact business not already covered   **Understanding**   * Discuss the impacts of these laws on business practices   **Skills**   * Evaluate the impact these laws may have on business development   *Approximately 2 - 2.5 hours* | **Unit Content:**  **6.1,6.2,6.3:** There are laws we have not yet covered that we need to look at. These laws concern:   * **Health & safety** – Regulating H&S practices across all sectors and the rules & responsibilities for specific business types * **Copyright, Designs and Patents Act** - Protection of copyrighted, patented and intellectual property * **Planning permission** – When planning permissions are required and how they need to be applied for   **Activity 1:** (10 minutes) Discussion questions - Why might the HASAWA be an expensive cost for a builder? How does the HASAWA restrict business practices? Why would the government restrict competitive nature of a business with the Competition Act?  **Activity 2:** (30 minutes) Using the information provided in this lesson and your own research, conduct a simple analysis of how these Acts might impact your business. You should also summarise the consequences of failing to meet the legal requirements  **Activity 3:** (15 minutes) Exam Style Question - Evaluate possible implications for Playwright if it failed to comply with the Health and Safety at Work Act.  Playwright case study is on the January 2019 Unit 1 past paper (<https://interchange.ocr.org.uk/Downloads/CT_L3_Business_U1_Jan19_QP.pdf?downloadId=809695>)  **Useful Resource:**   * YouTube video on the GDPR <https://www.youtube.com/watch?v=Y7k04399RJ4> * News article on Competition Act violations - <https://www.theguardian.com/business/2007/dec/08/supermarkets.asda>   **Suggested Resource:**  If the students have been working on a research booklet/project, they can consider each Act and its potential impact on their chosen business(es) making sure to consider the consequences of failing to follow the laws and the costs of implementing them |
| Session 6.8 | External Influences: Social & Technological  **Knowledge**:   * Identify some of the main social and technological influences on Business.   **Understanding**:   * Describe how social trends & technology affect business decision making   **Skills**   * Evaluate how important these factors are to a given business   *Approximately 2 hours* | **Unit Content:**  **6.1,6.2,6.3:** Social influences relate to the attitudes and beliefs of society. They also relate to the actual make up of society e.g. population changes.  In technology, we look at:   * Automation/Robotics * Social media and the use of app based mediums * The Internet * Transport technology   **Activity 1:** (20 minutes) Population changes present opportunities for businesses. Use the data sheet provided to describe how changes to the UK population is likely to affect:   1. The growth of the business. 2. The products it sells 3. The types of advertising it does. 4. Its choice of location   *(Population changes can be found on the ONS website)*  **Activity 2:** (20 minutes) Taking into consideration that the average *age of the population is rising* what facilities and activities would you provide if you were;   * A health club. * A travel agent. * A sportswear manufacturer.   In your book create a plan that shows how you would adapt your products/service to cater for this growing market.  **Activity 3:** (15 minutes) Asda plan to increase five-fold the number of self-service scanners in its supermarkets over the next 3 years. Explain the possible **positive** and **negative** consequence of implementing automation for Asda. Be prepared to share your answers with the class.  **Activity 4:** (15 minutes) Firms can use Social Media to promote their products. Create a table outlining the advantages and disadvantages of using social media for businesses.  **Activity 5:** (10 minutes) Exam style question - Explain **two** ways a business that you have researched uses mobile technology. (Pay close attention to the use of the term ‘***mobile***’ technology – not *just* apps)  **Useful Resource:**   * + ONS Website - <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/august2019>   + Video on Automation - <https://youtu.be/yeEQRpEBlv4>   + OCR Past Paper June 2019 |
| Session 6.9 | External Influences: Ethical Factors  **Knowledge**   * Identify the impact of business ethics on strategic decisions   **Understanding**   * Discuss pay and rewards & their impact   **Skills**   * Assess the effect of CSR   *Approximately 2 hours* | **Unit Content:**  **6.1,6.2,6.3:** In business, we call morals ‘Ethics’. Business ethics (also corporate ethics) is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. Factors include:   * Fairtrade * Sustainability * Zero hours contracts * Employee relations * Waste * Ethically sourced materials   **Activity 1:** (10 minutes) Create a mind map to show the qualities an ethical person may have. You will be discussing these with the class.  **Activity 2:** (15 minutes) Business Ethics – Design a simple series of ethical guidelines for the business you are investigating. Consider:   * Employees * Customers * Suppliers   Be prepared to share them on your table.  **Activity 3:** (20 minutes) Suggest the consequences to your chosen business of not operating ethically. If they are a producer, what would happen if they sourcved their supplies unethically? What if they mistreat their staff?  **Activity 4:** (15 minutes) Exam Style Question - Advise the directors of Leisure Magazines Ltd how it could improve its ethical profile. Justify your answer.  The Leisure Magazine case study can be found in the OCR Past Paper June 2017 for Unit 1 - <https://www.ocr.org.uk/Images/512113-combined-feedback-the-business-environment.pdf>  **Useful Resource:**   * Body Shop Ethics - <https://youtu.be/K_5SHLKtA78> * Income inequality - <https://youtu.be/Oj2LA8rEqQ4> * Ethics case studies - <https://businesscasestudies.co.uk/ethical-business-practices/> |
| Session 6.10 | Completing the PESTLE  **Knowledge**   * Identify the key external factors impacting business   **Understanding**   * Describe the elements of PESTLE   **Skill**   * Explain the use of a PESTLE analysis in business strategy   *Approximately 4 hours* | **Unit Content:**  **6.1,6.2,6.3:** Students should consolidate their understanding of the PESTLE factors by creating a PPT presentation on their chosen business and the PESTLE factors. Each factor should be considered.  **Activity 1:** (30 minutes) Read over the Starbucks PESTLE analysis and suggest the most important factors that they have to consider. Discuss these with your table group and come up with a top 3.  **Activity 2:** (40 minutes) Research Task – Students must conduct a PESTLE analysis of their chosen business, highlighting any areas of note, difficulties specific to their organisation, etc. They will be discussing their investigation in teams/present to class (depending on group size).  **Activity 3:** (30 minutes) Presentation present your findings to the rest of the class/group. You should be prepared to answer any questions your group might have  **Useful Resource:**   * Starbucks PESTLE analysis for ideas - <https://pestleanalysis.com/pestle-analysis-of-starbucks/> * Tutor2u reference guide - <https://www.tutor2u.net/business/reference/what-is-pest-analysis> * Short video on PESTLE by CIPD - <https://www.youtube.com/watch?v=GFVKKTwkANY> |
| Session 7.1 | Business Planning  **Knowledge**   * Recognise why businesses plan.   **Understanding**   * To identify who requires a business plan.   **Skills**   * To propose reasons why planning can affect a business.   *Approximately 4 hours* | **Unit Content:**  **7.1:** Why do businesses plan?Well, the business plan sets out how the owners/managers of a business intend to realise its objectives. Without such a plan a business is likely to drift. The business plan itself can be used for objective setting, accessing finance, etc. Reasons include:   * To survive/ avoid business failures. * A business plan is more than just a tool to raise money. * To develop business ideas. * To avoid unnecessary risk. * To meet objectives. (Financial, Personal, Social) * To support growth. * To help manage cash flow.   It is a common misconception that only new/small businesses set out a business plan.  **Activity 1:** (10 minutes) Discuss with the person sitting next to you and list the reasons businesses might construct a business plan. Be prepared to justify your suggestions  **Activity 2:** (20 minutes) Consider the business you are investigating as part of your research in this unit. Imagine they are looking to expand their operations in to a new market/region. List the information and resources they might need for their business plan.  **Activity 3:** (20 minutes) Identify three things needed for a business plan. Discuss your list with your table group and compile a master list of the contents of a business plan  **Activity 4:** (5 minutes) Discuss on your table the consequences of not planning for a business such as the one you are investigating.  **Useful Resource:**   * Video on ‘Why do I need a business plan’? - <https://youtu.be/6JRCToNiTVQ> * Developing a business plan (reader) - <https://www.business.gov.au/Planning/Business-plans/How-to-develop-your-business-plan> * Constraints on a business plan (reader) - <https://businesscasestudies.co.uk/constraints/> |

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| Session 7.2 | Contents of a business plan  **Knowledge:**   * distinguish what goes into a business plan   **Understanding:**   * to organise key elements of a business plan into a mind map   **Skills:**   * to evaluate the purpose of a business plan   *Approximately 3 hours* | **Unit Content:**  **7.3:** A business plan is not a standard document that all businesses use the same or even similar template for. However, there are common components in all business plans that you should be aware of, including:   * Outline of product/service offered (including any USP) * Business aims/objectives * Key players (owners, expertise gained, etc.) * Financial requirements * Resource requirements   **Activity 1:** (10 minutes) Produce a mind map Identifying the key components of a business plan, and state the purpose of each of these components and share it with your table group  **Activity 2:** (20 minutes) For each of these, on your mind map, identify the purpose of each component of the business plan.  **Activity 3:** (30 minutes) Ali, the owner of Ali’s Barber in Throckley is looking to expand his business to neighbouring town, Newburn. You are going to create a skeleton business plan, outlining the key factors he will need to consider for this expansion. (Teacher to provide cash flow forecast information).  **Useful Resource:**   * How to write a business plan - <https://youtu.be/PDWvcsTloJo> * Tutor2u revision - <https://www.tutor2u.net/business/strategy/business-plan-contents.html> * Small business guide to business planning - <https://smallbusiness.findlaw.com/starting-a-business/contents-of-a-written-business-plan.html> |
| Session 7.3 | Determination of sources of finance  **Knowledge**:   * to identify why a business needs to include financial requirements in a business plan   **Understanding**:   * to distinguish between the different sources of finance.   **Skills**:   * to contrast sources of finance and their uses in business   *Approximately 3 hour* | **Unit Content:**  **7.2:** One of the key reasons a business plan is set out is to either access finance or plan for it. However, where should that money come from? **Internal** sources of **finance** are funds found inside the business (retained profit, owner’s savings, etc.).  **Activity 1:** (30 minutes) Research & discussion task. Students should be split into teams. Each team member should have at least two sources of finance to research. Students are to research the source of finance in more depth and present back to their teams in discussion. The research should look for:   * Specific/actual examples of the source of finance being used by a business (scenario/case study material is allowed) * What the source of finance would be most suitable for * Pros and cons of each source   **Activity 2:** (25 minutes) Students should be given a scenario for their chosen business (expansion, financial difficulty, cash flow problems, etc.) and they are to recommend a source of finance, explaining how it meets the needs of the scenario and how it is the most suitable option.  **Extension:** They could explain why some other methods were considered but ultimately rejected  **Useful Resource:**   * BBC video on sources of finance - <https://www.bbc.co.uk/bitesize/guides/zmj7tfr/video> * Revision PPT - <https://www.rewardinglearning.org.uk/common/includes/microsite_doc_link.aspx?docid=9699-1> * Tutor2u reader - <https://www.tutor2u.net/business/reference/sources-of-finance-for-a-startup-or-small-business>   **Suggested resource:**  If students have been issued a project booklet to support their research in to a given/chosen business, they could investigate their chosen business and identify how the business is financed and consider a range of scenarios and sources of finance options for the business. |
| Session 8.1 | Assess the performance of a business  **Knowledge**   * discover why some businesses succeed/ fail.   **Understanding**:   * distinguish between successes and failures.   **Skills**:   * analyse why businesses fail or succeed.   *Approximately 3 hours* | **Unit Content:**  **8.1:** There are many factors that will determine the success or failure of a business. Many new businesses fail due to poor planning, even giants like Toys R Us and BHS have failed due to a mix of financial (poor management of cash flow, inadequate or inappropriate sources of finance, etc.) and non-financial reasons (Poor management/control, external shock, reputation/image damage, etc.).  **Activity 1:** (10 minutes) In pairs, discuss how a business can judge how it has performed over the past three years. Create a spider diagram of these methods  **Activity 2:** (20 minutes) Read the BBC article on why BHS failed. Identify the financial and non-financial reasons for their failure and list them in order of importance. Be prepared to discuss your answers (A handout/writing frame can be used)  **Activity 3:** (35 minutes) Consider the business you are investigating. Using what you have learned this lesson, suggest a financial and a non-financial way the business could fail. Discuss these with a partner/present to the class.  **Useful Resource:**   * Dasani Water Scam - <https://youtu.be/TK4IhaLwXVc> * Tutor2u reader - <https://www.tutor2u.net/business/reference/business-failure> * BBC article on BHS - <https://www.bbc.co.uk/news/business-36175250> * Forbes article on why businesses fail - <https://www.forbes.com/sites/jaysondemers/2014/06/24/7-reasons-your-business-is-failing-and-what-to-do-about-it/> |

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| Session 8.2 | The SWOT analysis  **Knowledge**   * Identify the components of a SWOT analysis   **Understanding**   * Describe the use of SWOT by businesses   **Skill**   * Conduct a SWOT analysis of a business   *Approximately 3 hours* | **Unit Content:**  **8.2:** A SWOT analysis is a method for analysing a business, its resources and its environment. A SWOT is commonly used as part of strategic planning or assessment of business performance.  The SWOT analysis is a tool designed to provide businesses a clear view of the advantages they have over competitors and their possible vulnerabilities.Strengths & Weaknesses are internal, whereas Opportunities and Threats are external  **Activity 1:** (15 minutes) Given the time of year (or time in this unit) it is a useful exercise to consider your own strengths and weaknesses. Make two lists on your page. One for your own strengths, and the other for your own weaknesses.  What could you do with this information?  **Activity 2:** (15 minutes) Make another two lists on your page. This time identify any opportunities you see and the threats in your way.  What could you do with *this* information?  **Activity 3:** (25 minutes) In pairs/groups, conduct a SWOT analysis of McDonalds.  **Useful Resource:**   * YouTube video on SWOT - <https://youtu.be/goxMsPCs_z0> * McDonalds SWOT - <http://panmore.com/mcdonalds-swot-analysis-recommendations> * SWOT reader - <https://www.businessballs.com/strategy-innovation/swot-analysis/> * Tutor2u resources - <https://www.tutor2u.net/business/topics/swot-analysis>   **Suggested Resource:**  If students have been issued a project booklet to support their research in to a given/chosen business, they could conduct a SWOT analysis of the business as part of their investigation. |
| Session 8.3 | Interpreting business performance  **Knowledge**   * Identify the methods used to measure business performance   **Understanding**   * Explain the benefits limitations of each method   **Skill**   * Make recommendations to a business on how to improve and where to prioritise   *Approximately 5 hours* | **Unit Content:**  **8.3:** Measurements of business performance can include a range of techniques, some of which we have already covered in this unit (using P&L, cash flow, etc.). Case studies can be used to take a retrospective look at business performance and company reports can be summarised to support the review of year on year performance.  Interpreting financial data has been covered in this SoW (Session 4.1). Students can refer to his data/activity for a recap.  Non-financial data includes conversion rates (turning interactions to sales), return customer numbers, customer satisfaction index, product returns/complaints, staff retention, etc.  **Activity 1:** (25 minutes) For your chosen business (or a case study business provided by the teacher) compare the last two years of financial performance indicators (Gross/Net/Retained profit, dividend, share price). Are the business doing better or worse? Be prepared to summarise this for your class discussion  **Activity 2:** (25 minutes) Recommend three non-financial KPI’s for your chosen business and apply them to the business. How does the business perform?  **Activity 3:** (20 minutes) Identify the industry that your chosen business is in. Try and find a KPI dashboard or industry standard measurement for the business and compare it to your business. If you cannot find one, your teacher will provide you with a case study example to assess.  **Activity 4:** (30 minutes) using the measurements you have just learned about, make recommendations to your chosen business on how to improve. Consider:   * Short vs long term solutions * Ethics and sustainability suggestions * Financial and non-financial data   *(Approximately 3 minutes per presentation should be allocated)*  **Useful Resource:**   * Using financial accounts to assess business - <https://www.tutor2u.net/business/reference/using-financial-accounts-to-assess-business-performance> * Measuring employee performance (reader) <https://www.tutor2u.net/business/reference/measuring-workforce-effectiveness> * Using industrial averages (Dow Jones) - <https://www.investopedia.com/ask/answers/050115/what-does-dow-jones-industrial-average-measure.asp> * Performance metrics and benchmarking - <https://smallbusiness.chron.com/performance-metrics-benchmarking-goals-employees-12252.html> * Video on short termism - <https://www.tutor2u.net/business/reference/short-termism> * How to achieve performance objectives - <https://smallbusiness.chron.com/achieve-corporate-performance-objectives-10492.html> * KPI dashboard - <https://kpidashboards.com/kpi/>   **Suggested Resource:**  If students have been issued a project booklet to support their research in to a given/chosen business, they could conduct their own in depth analysis of their chosen business, using available information/data. They could then make a recommendation for improvement. This could be presented to the class as a final project outcome and the booklet could be saved on a network drive for student access for all to read. |

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