

<b>Unit Title:</b>	Considering a business idea
OCR unit number	1
Ofqual reference number	T/502/9949
Level:	2
Credit value:	3
Guided learning hours:	23

## Unit purpose and aim

This unit will help the candidate to identify a potential business idea and consider whether the idea is viable as a business.

Learning Outcomes	Assessment Criteria	Knowledge, understanding and skills
<p><b>The Learner will:</b></p> <p>1 Understand potential markets for business ventures</p>	<p><b>The Learner can:</b></p> <p>1.1 Explain target customer types for a specific start-up business venture</p> <p>1.2 Describe the characteristics of target customers for a specific start-up business venture</p> <p>1.3 Explain types of competitor</p>	<ul style="list-style-type: none"> <li>• Potential customers for your business eg adults, children, young professionals</li> <li>• Characteristics of most likely customers eg plenty of disposable income, social status</li> <li>• The main competitors for your business</li> </ul>
<p>2 Understand methods of selling products/services</p>	<p>2.1 Identify methods to sell a product/service</p> <p>2.2 Select the selling method for a specific product/service</p> <p>2.3 Justify the selection of a selling method for a specific product/service</p>	<ul style="list-style-type: none"> <li>• The main methods that could be used to sell a product/service eg door to door, shop, online</li> <li>• The benefits of the main selling methods eg cheap start up costs, industry expectations</li> <li>• The main way/s in which you would sell your product/service</li> </ul>

<p>3 Understand how to fund specific business ventures</p>	<p>3.1 Identify possible sources of funding available to start and run a business</p> <p>3.2 Explain the advantage(s) of possible funding sources</p> <p>3.3 Select how to fund a specific start-up business venture</p> <p>3.4 Justify the selection of funding method for a specific start-up business venture</p>	<ul style="list-style-type: none"> <li>• Where a new business could go to for funding. eg bank, princes trust, venture capitalist</li> <li>• The advantages and disadvantages of these sources eg easy application, amount available, repayment terms</li> <li>• The ways in which you would fund your business.</li> </ul>
<p>4 Be able to choose names for business ventures</p>	<p>4.1 Generate possible trading names for a specific start-up business venture</p> <p>4.2 Choose an available name for a specific start-up business venture</p>	<ul style="list-style-type: none"> <li>• Basis for a company name eg informs the customer of what the business actually does, distinction from competitors, about building a brand</li> <li>• Necessity to ensure that a business is not already trading in the name and how this could be checked</li> </ul>

## Assessment

This element is assessed by OCR set assignments that are centre assessed and externally moderated by OCR.

The candidate must be able to clearly explain their business idea and must be able to identify the potential customers and competition. They should then be able to identify how they intend to finance their venture.

They should complete all tasks contained in the candidate information section to demonstrate a clear understanding of their likely customer group, existing competition, sources of available funding and how they intend to sell their product/service. If candidates are intending to set up an internet or telesales business/service they should understand that 'local' competition and customers may be extremely wide-ranging.

Candidates must complete the tasks for all assessment criteria contained within the unit.

## Evidence requirements

In order to achieve this unit you must demonstrate that you have met all of the stated learning outcomes and assessment criteria. Candidates must complete the templates provided or where indicated either produce continuous prose in line with the indicated word limit or use another appropriate format.

## Guidance on assessment and evidence requirements

Candidates should be able to provide a clear explanation of their initial business idea to include: an explanation of the idea; the specific product/service; how it would be set up and its location.

Assessment will take the form of an OCR template assignment, which allows the candidate to evidence each assessment criteria. For each assessment criteria, OCR will also supply templates

to aid centres in confirming that all aspects of the assessment have been completed and that relevant evidence is available.

A breakdown of the expected actions is provided in the candidate section of the assignments. Tutors should ensure that the knowledge, understanding and skills section is sufficiently covered, according to the criteria provided.

All aspects of the task, as laid out in the candidate section, should be completed before the work is submitted to OCR for moderation. Witness Statement Forms have been provided where required. The tasks should be assessed in the centre before the candidate's portfolio is presented to the OCR-appointed examiner-moderator.

You should refer to the 'Admin Guide: Vocational Qualifications (A850)' for *Notes on Preventing Computer-Assisted Malpractice*.

## National Occupational Standards (NOS) mapping/signposting

NOS can be viewed on the relevant Sector Skills Council's website or the Occupational standards directory at [www.ukstandards.co.uk](http://www.ukstandards.co.uk).

Occupational standards	Unit number	Title
SFEDI	BD1	Check the likely success of a business idea
SFEDI	BD2	Define the product or service of your business
SFEDI	OP1	Review the skills your business needs
SFEDI	WB5	Selling your products and services
SFEDI	WB11	Decide how you will treat your business customers
SFEDI	WB12	Deliver a good service to customers

## Functional skills signposting

This section indicates where candidates may have an opportunity to develop their functional skills.

Link to functional skills standards <http://www.qcda.gov.uk/15565.aspx>

Functional Skills Standards					
English		Mathematics		ICT	
Speaking and Listening	✓	Representing	✓	Use ICT systems	✓
Reading	✓	Analysing	✓	Find and select information	✓
Writing	✓	Interpreting	✓	Develop, present and communicate information	✓

## Resources

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Candidates who wish to present their work electronically will require access to a computer with word processing software.

## Additional information

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In order for the candidate to achieve this unit the candidate must demonstrate an understanding of a new business's needs. The candidate will create elements of important information that can be added and developed into a business plan.

For further information regarding administration for this qualification, please refer to the OCR document '*Admin Guide: Vocational Qualifications' (A850)* on the OCR website [www.ocr.org.uk](http://www.ocr.org.uk) .