



Qualification specification

**NCFE Level 1/2 Technical Award in Business
and Enterprise
QN: 603/7004/X**



Qualification summary

Qualification title	NCFE Level 1/2 Technical Award in Business and Enterprise		
Ofqual qualification number (QN)	603/7004/X	Aim reference	6037004X
Guided learning hours (GLH)	143	Total qualification time (TQT)	157
Minimum age	14		
Qualification purpose	<p>This qualification is part of a suite of technical award qualifications that have been developed to meet the Department for Education's (DfE's) requirements for high-quality, rigorous qualifications that:</p> <ul style="list-style-type: none"> • have appropriate content for the learner to acquire core knowledge and practical skills • allow the qualification to be graded • provide synoptic assessment • enable progression to a range of study and employment opportunities 		
Grading	Level 1 pass/merit/distinction Level 2 pass/merit/distinction/distinction*		
Assessment method	Externally-set: non-exam assessment (NEA) and an examined assessment (EA)		
Performance points	Please check with the DfE for the most up-to-date information, should there be any changes.		

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Section 1: introduction

Please note this is a draft version of the qualification specification and is likely to be subject to change before the final version is produced for the launch of the qualification.

If you are using this qualification specification for planning purposes, please make sure that you are using the most recent version.

Aims and objectives

This qualification aims to:

- focus on the study of the business and enterprise sector
- offer breadth and depth of study, incorporating a key core of knowledge
- provide opportunities to acquire a number of practical and technical skills

The objectives of this qualification are to:

- understand entrepreneurial characteristics and business aims and objectives
- understand business organisation, legal structures, and the importance of stakeholder engagement
- analyse market research, market types, marketing mix and market orientation
- analyse human resource requirements for business and enterprise
- understand operations management
- understand business growth
- understand sources of enterprise funding and business finance
- analyse the impact of the external environment on business and enterprise
- apply business and enterprise planning

Support handbook

This qualification specification must be used alongside the mandatory support handbook on the qualifications page on the NCFE website, which contains additional supporting information to help with the planning, delivery and assessment.

This qualification specification contains all of the qualification-specific information you will need that is not covered in the support handbook.

Entry guidance

This qualification is designed for learners aged 14 to 16 in schools and colleges but is also accessible for post-16 learners.

It is a vocational qualification equivalent to GCSE grades 8.5 to 1.

There are no specific prior skills/knowledge a learner must have for this qualification.

Entry is at the discretion of the centre.

Centres are responsible for ensuring that all learners are capable of achieving the learning outcomes and complying with the relevant literacy, numeracy and health and safety requirements.

Learners registered on this qualification should not undertake another qualification at the same level, or with the same/a similar title, as duplication of learning may affect funding eligibility.

Achieving this qualification

To be awarded this qualification, learners are required to successfully achieve all learning outcomes from the single graded mandatory unit.

Qualification title		NCFE Level 1/2 Technical Award in Business and Enterprise
Qualification number (QN)		603/7004/X
Level		Combined level 1/2
Guided learning hours (GLH) (Total GLH has been rounded up to the nearest hour)		143
GLH breakdown		<ul style="list-style-type: none"> • 120 hours delivery • 1 hour 30 minutes examined assessment • 21 hours non-exam assessment
Non-exam assessment (NEA)	Weighting (60%)	Externally-set, internally marked and externally moderated: <ul style="list-style-type: none"> • synoptic project
Examined assessment (EA)	Weighting (40%)	Externally-set and externally marked: <ul style="list-style-type: none"> • written exam
Total	100%	Overall qualification grades: L1P, L1M, L1D, L2P, L2M, L2D, L2D*

Please refer to the content area summaries in section 2 for further information.

To achieve this qualification, learners must successfully demonstrate their achievement of all learning outcomes of the units as detailed in this qualification specification.

Progression

Depending on the grade the learner achieves in this qualification, they could progress to level 2 and level 3 qualifications and/or GCSE/A Levels.

Learners who achieve at level 1 might consider progression to level 2 qualifications post-16, such as:

- GCSE Business Studies
- study at level 2 in a range of technical routes that have been designed for progression to employment, apprenticeships, and further study; examples might include the Level 2 Technical Certificate in Business Enterprise

Technical certificate qualifications provide post-16 learners with the knowledge and skills they need for skilled employment or for further technical study.

Learners who achieve at level 2 might consider progression to level 3 qualifications post-16, such as:

- Level 3 Applied General Certificate in Business and Enterprise

- Level 3 Technical Level in Management and Administration (this will support progression to higher education)
- A Level in Business (this will support progression to higher education)

Learners could also progress into employment or onto an apprenticeship. The understanding and skills gained through this qualification could be useful to progress onto an apprenticeship in the business sector or through a variety of occupations that are available within the sector, such as in marketing, business administration and human resources.

Staffing requirements

There are no additional staffing requirements for this qualification. See the staffing requirements section in the support handbook.

Resource requirements

There are no mandatory resource requirements for this qualification, but centres must ensure learners have access to suitable resources to enable them to cover all the appropriate learning outcomes.

Real work environment requirement/recommendation

This is a knowledge-only qualification. Experience in the real work environment is not required.

Work/industry placement experience

This is a knowledge-only qualification. Work/industry placement experience is not required.

Purpose statement

Who is this qualification for?

The Level 1/2 Technical Award in Business and Enterprise is designed for learners who want an introduction to business and enterprise that includes a vocational and project-based element. The qualification will appeal to learners who wish to pursue a career in the business and enterprise sector or progress onto further study.

The NCFE Level 1/2 Technical Award in Business and Enterprise (603/7004/X) complements GCSE qualifications. It is aimed at 14 to 16 year olds studying key stage 4 (KS4) curriculum who are interested in the business and enterprise sector. This qualification is designed to match the rigour and challenge of GCSE study. The qualification is graded at level 1 pass, merit, distinction and level 2 pass, merit, distinction and distinction* (equivalent to GCSE grades 8.5 to 1). More information on grading can be found in section 2 of this qualification specification.

This qualification focuses on an applied study of the business and enterprise sector and learners will gain a broad knowledge and understanding of working in the sector.

This qualification has been designed to sit alongside the requirements of core GCSE subjects and is appropriate for learners who are motivated and challenged by learning through hands-on experiences and through content that is concrete and directly related to those experiences.

It is distinct from GCSE Business Studies, as it encourages learners to use knowledge and practical enterprise tools to prepare them for business. They will develop significant personal and vocational business skills that can be transferred to further study or employment.

The study of business and enterprise involves understanding key areas such as legal structures, marketing, market research, operations management, resource planning, human resources, funding, finance and business and enterprise planning.

This level 1/2 qualification is appropriate for learners who are looking to develop a significant core of knowledge and understanding in business and enterprise and apply that knowledge through a project.

What will the learner study as part of this qualification?

This qualification will promote the learner's understanding of:

- entrepreneurial characteristics and business aims and objectives
- business organisation, legal structures and stakeholder engagement
- market research, market types, marketing mix and market orientation
- human resource requirements for business and enterprise
- operations management
- business growth
- sources of enterprise funding and business finance
- the impact of the external environment on business and enterprise

What knowledge and skills will the learner develop as part of this qualification and how might these be of use and value in further studies?

Learners will develop the following knowledge and skills:

- adapting their own ideas and responding to feedback
- how to consider cost efficiency and effective use of resources
- analysing data and making calculations
- decision making
- planning
- evaluating their own work
- skills that are essential for the business sector, such as evaluation skills, responding to data, independent working, working to deadlines, efficient use of resources
- an ability to reflect upon their preferred learning style and identify relevant study skills

Successful completion of this qualification will enable learners to progress to level 2 or level 3 qualifications in related subjects.

Learners will develop the following skills that will inform future training and work in the business and enterprise sector:

- decision making
- observation
- resourcefulness
- problem solving
- planning
- evaluation
- reflection
- interpersonal skills
- professional behaviours
- respect and appreciation of others
- an ability to reflect upon their preferred learning style and identify relevant study skills

Successful completion of this qualification will enable learners to progress to level 2 or level 3 qualifications in related subjects.

The knowledge and skills gained will provide a secure foundation for learners to progress into career opportunities in the business and enterprise sector and provide a valuable platform for further study.

Which subjects will complement this course?

The following subject areas will complement this course:

- economics
- accounting
- maths
- English
- geography

This list is not exhaustive, and a range of other subject areas may also be appropriate.

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How the qualification is assessed

Assessment is the process of measuring a learner's skill, knowledge and understanding against the standards set in a qualification.

The qualification has **2** assessments externally-set by NCFE: **one** non-exam assessment and **one** written examined assessment.

Non-exam assessment	
Assessment method	Description
Non-exam assessment	60% of the technical award
Externally-set	120 marks
Internally marked and externally moderated	The completion time for the non-exam assessment is 21 hours. The non-exam assessment will assess the learner's ability to effectively draw together their knowledge, understanding and skills from across the whole vocational area. The non-exam assessment will target assessment objectives (AOs) AO1, AO2, AO3, AO4 and AO5.
Non-exam assessment availability	The learner should not undertake the non-exam assessment until all content areas have been delivered. This is to ensure learners are in a position to complete the non-exam assessment successfully. A different non-exam assessment brief will be released every December.

Non-exam assessment

Non-exam assessment encourages the learner to combine elements of their learning and to show accumulated knowledge and understanding across the content areas.

Non-exam assessment enables the learner to show their ability to integrate and apply knowledge, understanding and skills with breadth and depth. It also requires them to demonstrate their capability to apply knowledge, understanding and skills across a range of units and learning outcomes that are being assessed.

The non-exam assessment is internally assessed work and should be completed by the learner in accordance with the qualification specification. Information on delivery guidance and assessment hours for the internal assessment will be available in the non-exam assessment brief. To support with this, we have also created a sample non-exam assessment brief, which is available on the qualification page under support materials. A representative number of assessment hours should be timetabled into the scheme of work. Internal assessment hours must be administered outside of scheduled teaching and learning hours and should be supervised and assessed by the teacher.

Any work submitted for internal assessment must be completed during scheduled assessment hours in accordance with the scheme of work and must be authenticated and attributable to the learner. The teacher must be satisfied that the work produced is the learner's own and the learner must declare that the work is their own.

In practice, this means that all of the non-exam assessment will be completed in normal class time within scheduled assessment hours and kept separate from any teaching and learning hours.

The internally assessed non-exam assessment component is based on coverage of the qualification content areas, which are assessed holistically against descriptors to achieve a grade.

Each learner must create a portfolio of evidence generated from appropriate assessment tasks that demonstrates achievement of all the learning outcomes associated with each unit. The assessment tasks should allow the learner to respond to a real-life situation that they may face when in employment. On completion of each unit, learners must declare that the work produced is their own and the assessor must countersign this. Examples of suitable evidence for the portfolio for each unit are provided in section 2.

Examined assessment	
Assessment method	Description
Examined assessment	40% of technical award
Externally-set	Written examination:
Written examination	<ul style="list-style-type: none"> • 80 marks • 1 hour 30 minutes • a mixture of multiple-choice, short-answer, and extended response questions
Externally marked	The written examined assessment is a terminal assessment and will assess the learner's knowledge and understanding of all content areas and target assessment objectives AO1, AO2 and AO3.
Examined assessment availability	The examination date is expected to take place in May/June every year Please refer to the external assessment timetable available on the NCFE website.

Examined assessment

Examined assessments are set and marked by NCFE. The assessment assesses learners' knowledge and understanding of the content areas of this qualification. Centres must not assess, internally quality assure, or otherwise access or review any examined assessment materials or learner responses at any time and must adhere to the required exam regulations at all times.

The examined assessment is on a set date and time (invigilated). NCFE specifies the date and time that the examined assessment must be administered in the centre and also publishes in advance the dates on which external assessment results will be released.

A variety of assessment questions will be used, including multiple-choice, short-answer and extended response questions. This will enable learners to demonstrate their breadth of knowledge and understanding of the subject and ensure achievement at the appropriate level, including stretch and challenge. Questions will be written in plain English and in a way that is supportive and accessible to learners of all abilities.

As far as possible, real-world case studies and contexts that are relevant to the sector will be used. This is to engage and stimulate learners under examination conditions and to facilitate the drawing out of

a wide range of knowledge and skills developed throughout their learning.

All questions will have available marks clearly identified. The examined assessment will be carefully constructed following a rigorous quality control process to ensure that the assessment is valid.

For further information including instructions for conducting an external assessment, centres must ensure they have read/are familiar with the regulations for the conduct of external assessment, and qualification specific instructions for delivery documents available on the policies & documents page on the NCFE website.

The examined assessment material will be sent out in time for the start of the assessment. Assessment materials must be kept secure at all times in line with the requirement of the regulations for the conduct of external assessment.

You must return all examined assessment materials and partially or fully completed learner work to NCFE within one working day of the examined assessment taking place or the final timetabled supervised/invigilated session.

Rationale for synoptic assessment

Synoptic assessment encourages the learner to combine elements of their learning and to show accumulated knowledge and understanding across units and/or learning outcomes.

Synoptic assessment enables the learner to show their ability to integrate and apply knowledge, understanding and skills with breadth and depth. It also requires them to demonstrate their capability to apply knowledge, understanding and skills across a range of units and learning outcomes that are being assessed.

Enquiries about results

All enquiries relating to learners' results must be submitted in line with our enquiries and appeals about results and assessment decisions policy, which is available on the policies & documents page on the NCFE website.

External assessment conditions

For more information on external assessment conditions, please see the regulations for the conduct of external assessments and qualification specific instructions for delivery on the policies & documents page on the NCFE website.

There is one assessment window during the year. Please refer to the external assessment timetable on the NCFE website for the specific date.

For instructions on conducting external assessments, please refer to our regulations for the conduct of external assessments and qualification specific instructions for delivery documents, available on the policies & documents page on the NCFE website.

Assessment windows

For assessments sat in windows, the centre must enter learners to the specified window. This will be either a set date and time assessment or a window in which the assessment will be completed.

For qualifications with 'entry on registration', the centre will choose the assessment window at the point of registering the learner. The last date that we will accept learner work for a specified assessment window is by that assessment window's cut-off date.

Please note: the 'cut-off date' is the last day that returned scripts will be accepted for the specified assessment window.

On completing their work at the end of the assessment window, learners must sign the assessment declaration to authenticate the work produced as their own. Centres must ensure that all assessments are submitted for marking in accordance with the assessment windows.

Scheme of assessment

The Level 1/2 Technical Award in Business and Enterprise qualification is made up of 2 component parts: an examined assessment (EA) and a non-exam assessment (NEA).

Assessments	Assessment time	% weighting	Raw marks	Scaling factor	Scaled marks*	Assessment conditions	Marking
Non-exam assessment (NEA)	21 hours	60%	120	1.000	120	Supervised	Internal, with external moderation
Examined assessment (EA)	1 hour 30 minutes	40%	80	1.000	80	Invigilated	External
Assessment total	22 hours 30 minutes	100%			200		

Assessment objectives

The assessment of our technical awards is mapped against assessment objectives (AOs). These AOs provide a consistent framework for learners and are applied synoptically, allowing learners to show their knowledge, understanding and skills from across the full breadth and depth of the qualification.

The AOs that will be assessed against the content in our technical awards are:

AO1	Recall knowledge and show understanding The emphasis here is for learners to recall and communicate the fundamental elements of knowledge and understanding.
AO2	Apply knowledge and understanding The emphasis here is for learners to apply their knowledge and understanding to real-world contexts and novel situations.
AO3	Analyse and evaluate knowledge and understanding The emphasis here is for learners to develop analytical thinking skills to make reasoned judgements and reach conclusions.

AO4	Demonstrate the application of relevant technical skills, processes, techniques and processes The emphasis here is for learners to demonstrate the essential technical skills relevant to the vocational sector by applying the appropriate processes, tools and techniques.
AO5	Analyse and evaluate the demonstration of relevant technical skills, techniques and processes The emphasis here is for learners to analyse and evaluate the essential technical skills, processes, tools and techniques relevant to the vocational sector.

Assessment objective weightings

The table below shows the approximate weightings for each of the AOs in the technical award assessments.

AOs	Non-exam assessment (%)	Examined assessment (%)	Overall weighting (%)
AO1	15%	40–45%	25%–27%
AO2	25%	35–40%	29–31%
AO3	16.7%	20–25%	18%–20%
AO4	33.3%	N/A	20%
AO5	10%	N/A	6%
Overall weighting of assessments	60%	40%	100%

The purpose of the qualification means that it is necessary to assess understanding through 2 means of assessment, an internal non-exam assessment (NEA) and an external examined assessment (EA). The variance in assessment methods used allows for a range of knowledge, understanding and skills to be assessed using the most fit for purpose method.

Non-exam assessment

Refer to the mark scheme for the current non-exam assessment where you will find the information required to mark the non-exam assessment tasks and their descriptors.

Centres will mark the non-exam assessment, and this will then be submitted to NCFE for moderation.

Examined assessment

The examined assessment will be submitted to NCFE for marking to calculate the overall grades for learners.

Overall grading descriptors

To achieve a level 2 distinction learners will be able to:

- recall and apply highly relevant knowledge and understanding in an excellent and highly comprehensive manner of entrepreneurship, business organisation, stakeholders, marketing, human resources, operations management, business growth, business finance, the impact of the external environment and business planning
- critically analyse and evaluate, to make excellent, reasoned judgements and reach well-supported conclusions on entrepreneurship, business organisation, stakeholders, marketing, human resources, operations management, business growth, business finance, the impact of the external environment and business planning
- effectively demonstrate essential and excellent skills, techniques, and processes, relevant to the sector, when using a wide range of information and data to develop a complete business plan
- critically analyse and evaluate their own demonstration of relevant skills, techniques, and processes relevant to the sector when business planning in an excellent and highly comprehensive manner

To achieve a level 2 pass learners will be able to:

- recall and apply mostly relevant knowledge and understanding in a good and mostly detailed manner of entrepreneurship, business organisation, stakeholders, marketing, human resources, operations management, business growth, business finance, the impact of the external environment and business planning
- analyse and evaluate, to make good, mostly reasoned judgements and reach coherent conclusions on entrepreneurship, business organisation, stakeholders, marketing, human resources, operations management, business growth, business finance, the impact of the external environment and business planning
- effectively demonstrate good and mostly relevant skills, techniques, and processes, relevant to the sector, when using a wide range of information and data to develop a complete business plan
- analyse and evaluate their own demonstration of relevant skills, techniques, and processes, relevant to the sector, when business planning in a good and mostly detailed manner

To achieve a level 1 pass learner will be able to:

- recall and apply some knowledge and understanding, in a reasonable manner that has some relevance and some detail of entrepreneurship, business organisation, stakeholders, marketing, human resources, operations management, business growth, business finance, the impact of the external environment and business planning
- analyse and evaluate, in a reasonable manner, to make some judgements and reach straightforward conclusions on entrepreneurship, business organisation, stakeholders, marketing, human resources, operations management, business growth, business finance, the impact of the external environment and business planning
- effectively demonstrate some skills, techniques, and processes, relevant to the sector, in a reasonable manner, when using a wide range of information and data to develop a business plan
- analyse and evaluate their own demonstration of relevant skills, techniques and processes, relevant to the sector, when business planning in a reasonable, straightforward manner, with some detail

Grading information

The following grades are available for the qualification: level 2 distinction*, level 2 distinction, level 2 merit, level 2 pass, level 1 distinction, level 1 merit, and level 1 pass.

The qualification is linear, meaning both assessments must be taken in the same assessment series and cannot be combined across different assessment series. After all assessment is complete, the marks for each assessment are combined to give a final mark for each learner. Where raw marks do not reflect the required weighting of the assessment, a scaling factor is applied to the raw mark prior to aggregation.

Scaling factors can be found in the table below.

Assessment	Maximum raw mark	Weighting	Scaling factor	Maximum scaled mark
Non-exam assessment	120 marks	60%	1.000	120
Examined assessment	80 marks	40%	1.000	80
Total				200

For each series, grade boundaries are set by NCFE using a variety of statistical and judgemental evidence. Each learner's overall grade is determined by comparing their combined final mark with the grade boundaries for that series.

Where a learner achieves insufficient marks across the 2 assessments in the series to achieve a level 1 pass they will be awarded an unclassified (U) result.

Section 2: unit content and assessment guidance

This section provides details of the structure and content of this qualification.

Information in the teaching content section must be covered by the teacher during the delivery of the content areas and should be considered as mandatory teaching content.

The verb 'understand' encompasses both 'knowledge' and 'understanding' within the content areas of this qualification. Each content area will read 'The learner will understand'.

To make cross-referencing assessment and quality assurance easier, we have used a sequential numbering system in this document for each content area. The numbering system used refers to a content area, subject topic, and teaching content (for example, 1.1.1 refers to the content area (first number 1), the subject topic within that learning content (second number 1.1) and the teaching content within the subject topic (third number 1.1.1). This will support signposting feedback and tracking.

Anything within the teaching guidance is advisory and optional and is intended to provide useful advice and guidance to support delivery of the teaching content.

The types of evidence listed are for guidance purposes only. Within learners' portfolios, other types of evidence are acceptable if all content areas are covered.

Whilst studying the qualification, learners should reflect on the importance of knowing and developing their preferred learning style. They should also be able to identify a range of individual study skills they can use in order to study effectively.

For further information or guidance about this qualification, please contact our customer support team.

Content areas

This qualification consists of one unit with multiple content areas.

The regulated unit title is 'Understanding business and enterprise'

The regulated unit number for the qualification content is L/618/6056.

Content area number	Content area title	Suggested GLH
Content area 1	Entrepreneurship, business organisation and stakeholders	16
Content area 2	Market research, market types and orientation and marketing mix	20
Content area 3	Human resource requirements for business and enterprise	18
Content area 4	Operations management	15
Content area 5	Business growth	10
Content area 6	Sources of enterprise funding and business finance	21
Content area 7	The impact of the external environment on business and enterprise	10
Content area 8	Business and enterprise planning	10

Content areas

Content areas
<p>1. Entrepreneurship, business organisation and stakeholders</p> <p>1.1 Entrepreneurship</p> <p> 1.1.1 Being an entrepreneur</p> <p> 1.1.2 Entrepreneurial motivators</p> <p> 1.1.3 Entrepreneurial skills and attributes</p> <p>1.2 Business and enterprise aims and objectives</p> <p> 1.2.1 Non-financial aims and objectives</p> <p> 1.2.2 Financial aims and objectives</p> <p> 1.2.3 Reasons for aims and objectives</p> <p>1.3 Structures</p> <p> 1.3.1 Legal structures</p> <p> 1.3.2 The impact on business and enterprise of different structural characteristics</p> <p> 1.3.3 The impact on business and enterprise of changes in structure</p> <p>1.4 Stakeholders</p> <p> 1.4.1 Internal stakeholders</p> <p> 1.4.2 External stakeholders</p> <p> 1.4.3 Stakeholder engagement</p> <p> 1.4.4 Stakeholder conflict</p>
<p>2. Market research, market types and orientation and marketing mix</p> <p>2.1 The market</p> <p> 2.1.1 Aspects of the market</p> <p>2.2 Market research</p> <p> 2.2.1 Primary market research</p> <p> 2.2.2 Secondary market research</p> <p> 2.2.3 Data types</p> <p> 2.2.4 Market types</p> <p> 2.2.5 Business orientation types</p> <p>2.3 Marketing mix</p> <p> 2.3.1 Price</p> <p> 2.3.2 Place</p> <p> 2.3.3 Promotion</p> <p> 2.3.4 Product</p> <p> 2.3.5 Product life cycle and product life cycle extension strategies</p> <p> 2.3.6 Product development and innovation</p> <p> 2.3.7 Boston Matrix</p> <p> 2.3.8 Branding</p>
<p>3. Human resource requirements for business and enterprise</p> <p>3.1 Human resources</p> <p> 3.1.1 Methods of recruitment</p> <p> 3.1.2 Stages of recruitment</p> <p> 3.1.3 Types of employment contracts</p> <p>3.2 Staff development and monitoring</p> <p> 3.2.1 Methods of staff development and monitoring</p> <p>3.3 Motivation</p> <p> 3.3.1 Financial methods of motivation</p> <p> 3.3.2 Non-financial methods of motivation</p> <p> 3.3.3 Motivation theories</p>

4. Operations management 4.1 Operations management 4.1.1 Outsourcing 4.1.2 Lean production 4.1.3 Maintaining and improving quality 4.1.4 Production methods 4.1.5 Customer service
5. Business growth 5.1 Business and enterprise growth 5.1.1 Internal growth 5.1.2 External growth 5.1.3 Efficiencies and costs of business and enterprise expansion 5.1.4 Challenges of growth
6. Sources of enterprise funding and business finance 6.1 Business and enterprise funding 6.1.1 Funding types 6.2 Financial terms, documents and tools 6.2.1 Financial terms and calculations 6.2.2 Costs, liabilities and assets 6.2.3 Financial documents 6.2.4 Ratio analysis 6.2.5 Cash flow management
7. The impact of the external environment on business and enterprise 7.1 The impact of the external environment 7.1.1 External influences
8. Business and enterprise planning 8.1 Business and enterprise planning 8.1.1 Purposes and benefits of planning 8.1.2 Sections of a business plan

Teaching content

Information in this section must be covered by the teacher during the delivery of this qualification.

1. Entrepreneurship, business organisation and stakeholders

1.1	Entrepreneurship
1.1.1	Being an entrepreneur
	<p>The learner will understand the role of a successful entrepreneur:</p> <ul style="list-style-type: none"> • identify potential business opportunity • evaluate viability of business opportunity • understand target market • organises resources/the factors of production • raises the finance • makes decisions on the marketing mix • manages risks
1.1.2	Entrepreneurial motivators
	<p>The learner will understand entrepreneurial motivators and their importance:</p> <ul style="list-style-type: none"> • financial: <ul style="list-style-type: none"> ○ financial independence • personal: <ul style="list-style-type: none"> ○ job satisfaction ○ autonomy • social and ethical: <ul style="list-style-type: none"> ○ responsibility: <ul style="list-style-type: none"> ▪ sustainable sourcing ▪ environmental ▪ paying the living wage ▪ working conditions ○ helping the community: <ul style="list-style-type: none"> ▪ working with charities ▪ supporting community projects ▪ employment opportunities ▪ equal opportunities
1.1.3	Entrepreneurial skills and attributes
	<p>The learner will understand the skills and attributes of an entrepreneur and their importance for business and enterprise:</p> <ul style="list-style-type: none"> • skills: <ul style="list-style-type: none"> ○ financial ○ communication ○ management ○ sales ○ IT ○ timekeeping • attributes: <ul style="list-style-type: none"> ○ independence ○ confidence

	<ul style="list-style-type: none"> ○ self-starting ○ self-reflective ○ determination ○ decision-making ○ risk-taking
1.2	Business and enterprise aims and objectives
1.2.1	Reasons for aims and objectives
	<p>The learner will understand the reasons why businesses and enterprises set aims and objectives:</p> <ul style="list-style-type: none"> ● provide focus ● informs mission statement ● help allocate resources ● manage progress
1.2.2	Financial aims and objectives
	<p>The learner will understand the financial aims and objectives that a business might have:</p> <ul style="list-style-type: none"> ● increasing profit margin ● increasing revenue ● increase value of the business ● reduction in costs ● improve liquidity
1.2.3	Non-financial aims and objectives
	<p>The learner will understand the non-financial aims and objectives a business might have:</p> <ul style="list-style-type: none"> ● positive reputation ● increase market share ● sustainability: <ul style="list-style-type: none"> ○ reduce carbon footprint ○ ethically sourced materials, contractors, or suppliers ○ reduce waste ○ support local businesses ● support equality and diversity in workforce ● reduce employee turnover
1.3	Structures
1.3.1	Legal structures
	<p>The learner will understand the defining features of the different legal structures available to business and enterprise. The learner will understand the advantages and disadvantages of these different legal structures:</p> <ul style="list-style-type: none"> ● sole trader ● partnership ● franchise ● private limited company (Ltd) ● public limited company (PLC) ● cooperative

1.3.2	The impact on business and enterprise of different structural characteristics
	<p>The learner will understand the impact on business and enterprise of different structural characteristics:</p> <ul style="list-style-type: none"> • flat • tall • span of control • delegation • chain of command
1.3.3	The impact on business and enterprise of changes in structure
	<p>The learner will understand the impact on business and enterprise of changes in structure:</p> <ul style="list-style-type: none"> • delayering: <ul style="list-style-type: none"> ○ communication ○ span of control ○ change in responsibilities ○ changes to hierarchical order • redundancy: <ul style="list-style-type: none"> ○ business costs (short and long term) ○ workers • reorganisation: <ul style="list-style-type: none"> ○ new departments
1.4	Stakeholders
1.4.1	Internal stakeholders
	<p>The learner will understand the internal stakeholders of a business and their aims and objectives:</p> <ul style="list-style-type: none"> • employees • owners: <ul style="list-style-type: none"> ○ sole traders ○ partnerships
1.4.2	External stakeholders
	<p>The learner will understand the external stakeholders of a business and their aims and objectives:</p> <ul style="list-style-type: none"> • customer • shareholder • local community • government • finance providers
1.4.3	Stakeholder engagement
	<p>The learner will understand the benefits of engaging with the following stakeholders:</p> <ul style="list-style-type: none"> • employees • customers • suppliers • local community • government • finance providers

1.4.4	Stakeholder conflict
	<p>The learner will understand how stakeholder conflict may impact a business or enterprise.</p> <p>The learner will understand how the aims and objectives of stakeholders in a business may:</p> <ul style="list-style-type: none">• be incompatible• lead to conflict

2. Market research, market types and orientation and marketing mix

2.1	The market
2.1.1	Aspects of the market
	<p>The learner will understand the market in business and enterprise and the importance of:</p> <ul style="list-style-type: none"> • target customers: <ul style="list-style-type: none"> ○ location ○ lifestyle ○ income ○ age ○ gender ○ race ○ religion • competitive environment: <ul style="list-style-type: none"> ○ competitors' prices ○ competitors' quality ○ competitors' range of products • demand: <ul style="list-style-type: none"> ○ trends ○ potential sales
2.2	Market research
2.2.1	Primary market research
	<p>The learner will understand the methods of collecting primary market research and their appropriateness in different contexts:</p> <ul style="list-style-type: none"> • questionnaires: <ul style="list-style-type: none"> ○ face to face ○ online ○ postal • observation: <ul style="list-style-type: none"> ○ disguised ○ non-disguised • focus groups: <ul style="list-style-type: none"> ○ online ○ face to face • interviews: <ul style="list-style-type: none"> ○ face to face ○ online ○ telephone

2.2.2	Secondary market research
	<p>The learner will understand the sources of secondary market research and their appropriateness in different contexts:</p> <ul style="list-style-type: none"> • government reports: <ul style="list-style-type: none"> ○ census data ○ social trends • news articles • competitor data • reports produced by market research agencies • trade journals • social media • online forums
2.2.3	Data types
	<p>The learner will understand types of market research data:</p> <ul style="list-style-type: none"> • qualitative data: <ul style="list-style-type: none"> ○ focus groups ○ interviews ○ news articles ○ trade journals ○ social media • quantitative data: <ul style="list-style-type: none"> ○ government statistics ○ questionnaires using closed questions ○ data from published market research reports
2.2.4	Market types
	<p>The learner will understand market types and their typical characteristics:</p> <ul style="list-style-type: none"> • mass market: <ul style="list-style-type: none"> ○ high sales volume ○ large number of competitors ○ aimed at a large percentage of the market ○ non-specialised products ○ low profit margin • niche market: <ul style="list-style-type: none"> ○ low sales volume ○ small number of competitors ○ aimed at a small section of the market ○ specialised products ○ high profit margins
2.2.5	Business orientation types
	<p>The learner will understand business orientation types and their characteristics:</p> <ul style="list-style-type: none"> • market orientated: <ul style="list-style-type: none"> ○ customer-led ○ market research-led • product orientated: <ul style="list-style-type: none"> ○ product-led ○ first to market

2.3	<p>Marketing mix</p> <p>The learner will understand the marketing mix in terms of each of the 4 elements:</p> <ul style="list-style-type: none"> • price • place • promotion • product
2.3.1	<p>Price</p> <p>The learner will understand how equilibrium prices are determined in the market. The learner will understand, using diagrams, how changes in supply and demand affect equilibrium price. The learner will understand pricing strategies and the factors that influence the pricing strategy chosen by a business or enterprise. The learner will understand the importance of price as an element of the marketing mix:</p> <ul style="list-style-type: none"> • supply, demand, and equilibrium price • pricing strategy: <ul style="list-style-type: none"> ○ dynamic pricing ○ cost plus pricing ○ price skimming ○ penetration pricing ○ loss leader pricing ○ competitive pricing ○ promotional pricing
2.3.2	<p>Place</p> <p>The learner will understand place and its importance as an element of the marketing mix:</p> <ul style="list-style-type: none"> • channels of distribution and their advantages and disadvantages to a business or enterprise: <ul style="list-style-type: none"> ○ wholesaler ○ retailer ○ direct to customers • factors affecting place: <ul style="list-style-type: none"> ○ whether business is online, or bricks and mortar ○ customer location ○ supplier location ○ transport links ○ communication links ○ availability of staff • e-commerce and its importance to different types of business and enterprise

2.3.3	Promotion
	<p>The learner will understand promotion, promotional objectives, promotional methods, and their importance as an element of the marketing mix. The learner will understand the factors that influence the promotional mix selected by a business or enterprise:</p> <ul style="list-style-type: none"> • promotional methods: <ul style="list-style-type: none"> ○ advertising: <ul style="list-style-type: none"> ▪ print media (for example, posters, leaflets, billboards) ▪ digital media (for example, websites, social media) ▪ broadcast media (for example, TV, radio) ○ sales promotion: <ul style="list-style-type: none"> ▪ limited time offers ▪ buy one get one free (BOGOF) ▪ discount vouchers ▪ flash sales ▪ free gifts ▪ competitions ▪ loyalty cards ▪ point of sale displays ▪ sponsorship ○ direct marketing: <ul style="list-style-type: none"> ▪ email ▪ flyers ▪ text ▪ social media • factors that influence the promotional mix: <ul style="list-style-type: none"> ○ target market ○ the nature of the market ○ finance available ○ competitor mix ○ the nature of the product or service • promotional objectives: <ul style="list-style-type: none"> ○ increased sales ○ increase market share ○ develop customer loyalty ○ develop brand recognition
2.3.4	Product
	<p>The learner will understand product and its importance as an element of the marketing mix.</p> <p>The learner will understand the benefits and risks of developing new products, including:</p> <ul style="list-style-type: none"> • unique selling point (USP) • needs of the target market • brand image • product quality

2.3.5	Product life cycle and product life cycle extension strategies
	<p>The learner will understand the product life cycle, its stages, and the characteristics of each stage:</p> <ul style="list-style-type: none"> • product life cycle • stages and characteristics: <ul style="list-style-type: none"> ○ understand graphical representation of product life cycle ○ introduction ○ growth ○ maturity ○ decline • extension strategies: <ul style="list-style-type: none"> ○ changes in the marketing mix ○ entering new markets
2.3.6	Product development and innovation
	<p>The learner will understand the reasons why product development and innovation are important to business and enterprise:</p> <ul style="list-style-type: none"> • remain competitive • enter new markets • increase market share • increase sales • comply with changes in legislation • produce patents
2.3.7	Boston Matrix
	<p>The learner will understand the Boston Matrix, its structure, characteristics of the 4 categories, and how it applies to businesses and enterprise:</p> <ul style="list-style-type: none"> • Boston Matrix: <ul style="list-style-type: none"> ○ stars ○ question marks ○ cash cows ○ dogs • uses of the Boston Matrix: <ul style="list-style-type: none"> ○ product classification according to market share and rate of growth of the market ○ aid decision making with regards to the product portfolio ○ product withdrawal ○ product development
2.3.8	Branding
	<p>The learner will understand the importance to a business of developing its brand image and brand loyalty:</p> <ul style="list-style-type: none"> • brand image: <ul style="list-style-type: none"> ○ develop customer loyalty ○ help launch new products ○ can allow for setting high prices • brand loyalty: <ul style="list-style-type: none"> ○ help launch new products ○ can allow for setting high prices

3. Human resource requirements for business and enterprise

3.1	Human resources
3.1.1	Methods of recruitment:
	<p>The learner will understand the costs and characteristics of internal and external methods of recruitment. The learner will understand the factors that influence the methods of recruitment chosen by a business or enterprise:</p> <ul style="list-style-type: none"> • internal: <ul style="list-style-type: none"> ○ notice board ○ newsletter ○ website ○ intranet ○ direct communication • external: <ul style="list-style-type: none"> ○ headhunting ○ newspapers ○ trade journals ○ careers fairs ○ shop windows ○ recruitment agencies ○ online: <ul style="list-style-type: none"> ▪ social media ▪ job websites ▪ business's or enterprise's own website ○ job centres
3.1.2	Stages of recruitment
	<p>The learner will understand the different stages of recruitment:</p> <ul style="list-style-type: none"> • identify a vacancy • develop a person specification • develop a job description • advertise the vacancy • shortlist candidates • testing • interview • obtain references • offer position • issue contract
3.1.3	Type of employment contracts
	<p>The learner will understand the different types of contracts and how these affect the flexibility, efficiency and costs within business and enterprise:</p> <ul style="list-style-type: none"> • contracts of employment: <ul style="list-style-type: none"> ○ permanent ○ temporary ○ freelance ○ fixed term ○ full-time ○ part-time ○ zero hour

3.2	Staff development and monitoring
3.2.1	Methods of staff development and monitoring
	<p>The learner will understand staff development and monitoring methods and how these affect employees, business and enterprise costs, efficiency, and flexibility:</p> <ul style="list-style-type: none"> • internal training • external training • induction • staff appraisals • promotion • mentoring • disciplinary action • dismissal
3.3	Motivation
3.3.1	Financial methods of motivation
	<p>The learner will understand financial methods of rewarding employees, their characteristics, and their impact on employee motivation. The learner will understand in which contexts these methods are appropriate:</p> <ul style="list-style-type: none"> • wages • salaries • piece rate • hourly rate • performance-related pay • bonuses • commission • profit sharing
3.3.2	Non-financial methods of motivation
	<p>The learner will understand non-financial methods of motivation, their application in different contexts and their impact on employee motivation and the business:</p> <ul style="list-style-type: none"> • job rotation • job enlargement • job enrichment • training • team-working • empowerment
3.3.3	Motivation theories
	<p>The learner will understand motivation theories and how these can be practically applied in the workplace:</p> <ul style="list-style-type: none"> • Maslow's Hierarchy of Needs • Herzberg's Two-Factor Theory

4. Operations management

4.1	Operations management
4.1.1	Outsourcing
	<p>The learner will understand the factors that influence the decision to outsource:</p> <ul style="list-style-type: none"> • quality • cost • speed • flexibility
4.1.2	Lean production
	<p>The learner will understand the methods of lean production and their possible impact on business and enterprise:</p> <ul style="list-style-type: none"> • just-in-time (JIT): <ul style="list-style-type: none"> ○ warehouse costs ○ employee costs ○ meeting demand ○ prevent product obsolescence ○ cash flow • cell production: <ul style="list-style-type: none"> ○ motivation ○ productivity ○ flexibility • kaizen: <ul style="list-style-type: none"> ○ waste ○ efficiency ○ continuous improvement
4.1.3	Maintaining and improving quality
	<p>The learner will understand methods of maintaining and improving quality, how these methods are applied, and their possible impact on business and enterprise:</p> <ul style="list-style-type: none"> • quality control: <ul style="list-style-type: none"> ○ sampling ○ costs • quality assurance: <ul style="list-style-type: none"> ○ costs ○ zero waste ○ zero defects ○ right first time
4.1.4	Production methods
	<p>The learner will understand the different production methods available to business and enterprise, including their application in terms of start-up costs, unit costs, level of demand, flexibility, time, and volume of output:</p> <ul style="list-style-type: none"> • job production • batch production • flow production • mass customisation

4.1.5	Customer service
	<p>The learner will understand good customer service, how it is measured, and its benefits to business and enterprise:</p> <ul style="list-style-type: none">• customer satisfaction scores• repeat business data• levels of complaints/compliments• customer surveys• mystery shoppers

5. Business growth

5.1	Business and enterprise growth
5.1.1	Internal growth
	<p>The learner will understand methods of internal growth and their potential impact on a business or enterprise:</p> <ul style="list-style-type: none"> • developing new products • updating current products • entering new markets • geographical expansion
5.1.2	External growth
	<p>The learner will understand methods of external growth and their potential impact on a business or enterprise:</p> <ul style="list-style-type: none"> • mergers • takeovers • joint ventures
5.1.3	Efficiencies and costs of business and enterprise expansion
	<p>The learner will understand economies and diseconomies of scale and their potential impact on a business or enterprise:</p> <ul style="list-style-type: none"> • economies of scale: <ul style="list-style-type: none"> ○ purchasing ○ managerial ○ technical ○ marketing ○ financial • diseconomies of scale: <ul style="list-style-type: none"> ○ control ○ coordination ○ communication
5.1.4	Challenges of growth
	<p>The learner will understand the challenges of growth and how they apply in business and enterprise:</p> <ul style="list-style-type: none"> • additional physical resource requirements: <ul style="list-style-type: none"> ○ buildings ○ equipment ○ technology • additional human resource requirements: <ul style="list-style-type: none"> ○ skills ○ number of employees • sensitivities: <ul style="list-style-type: none"> ○ cultural ○ local • understanding national and international legislation: <ul style="list-style-type: none"> ○ import tariffs ○ import quotas

6. Sources of enterprise funding and business finance

6.1	Business and enterprise funding
6.1.1	Funding types
	<p>The learner will understand short and long-term funding for business and enterprise and their appropriateness for businesses of different legal structures:</p> <ul style="list-style-type: none"> • short term: <ul style="list-style-type: none"> ○ trade credit ○ factoring ○ overdrafts ○ credit cards • long term: <ul style="list-style-type: none"> ○ personal savings ○ bank loan ○ leasing ○ loan from friends or family ○ grants (government/non-government) ○ business angel funding ○ crowdfunding ○ retained profits ○ share capital
6.2	Financial terms, documents, and tools
6.2.1	Financial terms and calculations
	<p>The learner will understand financial terms and be able to carry out appropriate calculations:</p> <ul style="list-style-type: none"> • sales revenue • gross profit • net profit • break-even level of output • profit and loss • margin of safety
6.2.2	Costs, liabilities, and assets
	<p>The learner will understand business and enterprise costs, liabilities, and assets:</p> <ul style="list-style-type: none"> • costs: <ul style="list-style-type: none"> ○ start up ○ fixed ○ variable • liabilities: <ul style="list-style-type: none"> ○ current ○ non-current (long-term) • assets: <ul style="list-style-type: none"> ○ current ○ non-current (fixed)

6.2.3	Financial documents
	<p>The learner will understand financial tools and documents. The learner will understand the reasons why businesses use these tools and documents and the benefits that result from their use:</p> <ul style="list-style-type: none"> • break-even chart: <ul style="list-style-type: none"> ○ how to construct a break-even chart ○ labelling of axes, cost and revenue lines, break-even point, margin of safety ○ extract information on: <ul style="list-style-type: none"> ▪ costs ▪ revenues ▪ profit ▪ loss ▪ margin of safety • cash flow forecast: <ul style="list-style-type: none"> ○ how to construct a cash flow forecast ○ cash inflow ○ cash outflow ○ net cash flow ○ opening balance ○ closing balance • income statement (profit and loss account): <ul style="list-style-type: none"> ○ how to construct a simple income statement ○ sales revenue ○ cost of sales ○ gross profit ○ expenses ○ net profit • statement of financial position (balance sheet): <ul style="list-style-type: none"> ○ non-current (fixed) assets ○ current assets ○ current liabilities ○ non-current liabilities ○ share (owners) capital ○ capital employed
6.2.4	Ratio analysis
	<p>The learner will understand financial ratios, their calculations and interpretation:</p> <ul style="list-style-type: none"> • profitability: <ul style="list-style-type: none"> ○ net profit margin ○ return on capital employed • liquidity: <ul style="list-style-type: none"> ○ current ratio ○ acid-test ratio

6.2.5	Cash flow management
	<p>The learner will understand cash flow management:</p> <ul style="list-style-type: none">• the importance of cash to business and enterprise• the usefulness of cash flow forecasting to business and enterprise• solutions to cash flow problems

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7. The impact of the external environment on business and enterprise

7.1	The impact of the external environment
7.1.1	External influences
	<p>The learner will understand external influences and their impact on business and enterprise and its stakeholders:</p> <ul style="list-style-type: none"> • taxation: <ul style="list-style-type: none"> ○ VAT ○ income tax ○ corporation tax • economics: <ul style="list-style-type: none"> ○ gross domestic product (GDP) ○ interest rates ○ employment levels ○ availability of skills ○ minimum wage • legislation: <ul style="list-style-type: none"> ○ employment legislation ○ anti-discrimination legislation ○ health and safety legislation ○ advertising legislation ○ data protection legislation • social: <ul style="list-style-type: none"> ○ fashion ○ trends • technological: <ul style="list-style-type: none"> ○ availability of new production equipment ○ increase and improvements in mobile technology ○ growth of e-commerce • environmental: <ul style="list-style-type: none"> ○ climate change • competitive environment: <ul style="list-style-type: none"> ○ number of competitors ○ growth opportunities

8. Business and enterprise planning

8.1	Business and enterprise planning
8.1.1	Purposes and benefits of planning
	<p>The learner will understand the purposes and benefits of business and enterprise planning:</p> <ul style="list-style-type: none"> • purposes: <ul style="list-style-type: none"> ○ informs potential investors ○ informs employees ○ monitors progress ○ identifies necessary resources ○ reduces risks • benefits: <ul style="list-style-type: none"> ○ identifies short and long-term finance needs ○ helps in raising finance ○ reduces likelihood of cash flow problems ○ employees' focus is aligned with business ○ ensures resources are available when needed
8.1.2	Sections of a business plan
	<p>The learner will understand sections of a business plan:</p> <ul style="list-style-type: none"> • executive summary: <ul style="list-style-type: none"> ○ company name ○ product or service provided ○ reasons for product or service ○ target market ○ legal structure ○ finance required • primary and secondary research: <ul style="list-style-type: none"> ○ competition: <ul style="list-style-type: none"> ▪ products and prices ▪ number and location ▪ distribution methods ○ target market: <ul style="list-style-type: none"> ▪ location ▪ characteristics ▪ number ○ labour needs: <ul style="list-style-type: none"> ▪ skills ▪ number of employees ▪ cost ○ premises: <ul style="list-style-type: none"> ▪ location ▪ cost ○ equipment: <ul style="list-style-type: none"> ▪ items needed ▪ cost ○ raw materials and/or components: <ul style="list-style-type: none"> ▪ quantity ▪ cost ▪ supplier

	<ul style="list-style-type: none">• market analysis:<ul style="list-style-type: none">○ target market○ competitive environment○ potential suppliers• marketing:<ul style="list-style-type: none">○ product/service○ place○ price○ promotion• people and operations:<ul style="list-style-type: none">○ people considerations:<ul style="list-style-type: none">▪ skills required▪ training needs▪ structure of management▪ cost○ operational considerations:<ul style="list-style-type: none">▪ methods of production▪ equipment▪ distribution methods▪ cost• financial plan:<ul style="list-style-type: none">○ start-up costs○ running costs (fixed and variable)○ cash flow forecast○ break-even chart and analysis○ projected income statement
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Teaching guidance

In this section, we provide some useful advice and guidance to support the delivery of the teaching content.

The website links are provided as sources of potentially useful information for delivery/learning of this subject area. NCFE does not explicitly endorse any learning resources available on these websites. For official NCFE endorsed learning resources, please see the additional and teaching materials sections on the qualification page on the NCFE website.

1. Teaching guidance - entrepreneurship, business organisation and the importance of stakeholders

It is important that the learner is given the opportunity to gain knowledge and understanding about entrepreneurship, business and enterprise aims and objectives, business structures, and the importance of stakeholders through a combination of class-based and practical learning.

Delivery of this area could take place through the study of different case studies about successful entrepreneurs with references to their motivators and attributes. Good examples could include James Dyson, Deborah Meaden, Larry Page, Levi Roots, J.K Rowling, Peter Jones and Alan Sugar. By considering a range of entrepreneurs, the learner should be able to see the commonality in motivators and attributes across the range. It would also be advantageous for the learner to meet and interview successful entrepreneurs in their own locality to enable them to put the examples into familiar context.

Suitable examples of business aims and objectives should be selected to explore both financial and non-financial aims and objectives in context of known businesses; these could be local, national, or international, and will provide the learner with a variety of structures of business which they could use to look at the similarities and differences in business size and structure.

The learner would benefit from the investigating into a number of different businesses who have different legal structures and their characteristics. By looking into businesses that have grown or downsized, it would allow the learner to gain an understanding of the impact of these changes. When considering a variety of businesses, the learner could focus on one well-known business and put its stakeholders into context. The learner should consider how a business engages with its stakeholders and how the interests of stakeholders may not always be mutually compatible. Again, it would be advantageous for the learner to consider businesses at local, national or international levels to understand how the size and structure of a business could alter the importance of different stakeholders to that business.

External visits/guest speakers:

- local businessperson/entrepreneur
- HR representative from a local business/enterprise
- finance representative from a local business/enterprise
- operations manager from a local business/enterprise

Resources:

- classroom teaching pack:
 - PowerPoint (PPT)
 - lesson plans

1. Teaching guidance - entrepreneurship, business organisation and the importance of stakeholders

- scheme of work
- worksheets
- revision workbook

Other resources:

- 'Business Studies for Dummies' by Richard Pettinger
- 'Entrepreneur Revolution: How to Develop Your Entrepreneurial Mindset and Start a Business That Works' by Daniel Priestley
- 'The Business Book: Big Ideas Simply Explained' by DK
- 'How Business Works: A Graphic Guide to Business Success' by DK
- 'Be a Young Entrepreneur' by Adam Sutherland
- 'Rich Dad, Poor Dad' by Robert Kiyosaki and Sharon Lechter

Useful websites:

- www.entrepreneursuk.net/famous-entrepreneurs/
- www.bbc.co.uk/education/subjects/zpsvr82
- www.bizkids.com/business-resources
- www.beebusinessbee.co.uk/index.php/business-topics
- www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans

2. Teaching guidance – market research, market types and orientation and marketing mix

It is important that the learner is given the opportunity to gain knowledge and understanding about the market in business and enterprise, market research, and marketing mix through a combination of class-based and practical learning.

When considering market research, the learner could first be provided with the theoretical knowledge of marketing, and this could be followed up with a series of tasks to try and test the quantitative and qualitative information they are able to gain. This will provide the learner with an understanding of time and potential cost inputs against the quality of data gathered.

The learner needs to understand the importance of product portfolios, product mix, the product life cycle and the Boston Matrix. The learner would benefit from reviewing the products of businesses such as Apple, Nestlé, Coca Cola and Samsung in relation to product portfolios, product mix, the product life cycle and the Boston Matrix.

Delivery of this area could also take place through the study of large supermarket chain case studies. Most large supermarket retailers sell a variety of consumables, groceries, electronics, clothing, homeware and financial services. By considering supermarket retailers, the learner will gain an insight across a range of marketing mix strategies. It would also be advantageous for the learner to use a supermarket as they will be familiar with the retailer, which will aid them in putting the examples into context.

Due to the high profiles of large supermarket retailers, the learner should be able to find information on how the companies have applied the marketing mix and should be able to gather information on most strategies in practice. It would also be advantageous, after understanding the theoretical application of strategies, for the learner to visit a supermarket outlet of their chosen chain to be able to understand first-hand, by either their own reactions or through customer surveying, how the company's application of the marketing mix affects their consumers.

External visits/guest speakers:

- local businessperson/entrepreneur
- HR representative from a local business/enterprise
- finance representative from a local business/enterprise
- operations manager from a local business/enterprise

Resources:

- classroom teaching pack:
 - PowerPoint (PPT)
 - lesson plans
 - scheme of work
 - worksheets
 - revision workbook

Other resources:

- 'Business Studies for Dummies' by Richard Pettinger
- 'Digital Marketing for Dummies' by Ryan Deiss and Russ Henneberry

2. Teaching guidance – market research, market types and orientation and marketing mix

- 'Entrepreneur Revolution: How to Develop Your Entrepreneurial Mindset and Start a Business That Works' by Daniel Priestley
- 'The Business Book: Big Ideas Simply Explained' by DK
- 'How Business Works: A Graphic Guide to Business Success' by DK
- 'Be a Young Entrepreneur' by Adam Sutherland

Useful websites:

- www.mbaskool.com/marketing-mix/services/16731-tesco.html
- www.research-methodology.net/tesco-marketing-mix/
- www.bbc.co.uk/education/subjects/zpsvr82
- www.bizkids.com/business-resources
- www.beebusinessbee.co.uk/index.php/business-topics
- www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans

3. Teaching guidance – human resource requirements for business and enterprise

It is important that the learner is given the opportunity to gain knowledge and understanding about human resource requirements and staff development, monitoring and motivation and be able to apply them to a business through a combination of class-based and practical learning.

Delivery of this learning outcome could be done through a series of scenarios looking at recruitment, contracts, disciplinary procedures, staff training, staff contracts and motivation methods. The learner could meet with business HR representatives to understand the role of a HR officer/manager. By considering a range of situations/scenarios, the learner should discuss potential outcomes, then research the correct procedures to evaluate their assessment of the given situations/scenarios.

The learner could also meet with the HR manager/officer and with the union representatives in their own educational establishment to understand their roles and impact on employees and employers.

Following this, the learner would benefit from reviewing and creating job descriptions and person specifications and researching how and why different businesses/enterprises recruit and select candidates and follow equality in recruitment and how they motivate their staff. The learner also needs to understand how the theories of Maslow and Herzberg can be applied in a business to improve or maintain motivation of the workforce.

External visits/guest speakers:

- local businessperson/entrepreneur
- trades union representative
- HR representative from a local business/enterprise

Resources:

- classroom teaching pack:
 - PowerPoint (PPT)
 - lesson plans
 - scheme of work
 - worksheets
 - revision workbook

Other resources:

- 'Business Studies for Dummies' by Richard Pettinger
- 'Entrepreneur Revolution: How To Develop Your Entrepreneurial Mindset and Start a Business That Works' by Daniel Priestley
- 'The Business Book: Big Ideas Simply Explained' by DK
- 'How Business Works: A Graphic Guide to Business Success' by DK
- 'Be a Young Entrepreneur' by Adam Sutherland
- 'Start with Why' by Simon Sinek

Useful websites:

- www.businesscasestudies.co.uk
- www.bizkids.com/business-resources

3. Teaching guidance – human resource requirements for business and enterprise

- www.beebusinessbee.co.uk/index.php/business-topics
- www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans

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4. Teaching guidance – operations management

It is important that the learner is given the opportunity to gain knowledge and understanding about outsourcing, methods of lean production and quality systems, production methods and customer service through a combination of class-based and practical learning.

Delivery of this learning outcome could take place through the study of automotive manufacturing case studies (for example, Nissan). The complexity and cost involved in the processes of the production of vehicles would lend itself well to this learning outcome. By considering an automotive retailer, the learner will get an insight across a range of operative management strategies. It would also be advantageous for the learner to use a retailer which allows them to put the learning outcomes into context.

Most automotive companies outsource the manufacture of at least some of their vehicle parts; use differing methods of lean production at various stages; adopt quality control measures; and, dependent upon the manufacturer and model, will vary their production methods. By understanding the processes involved in context, the learner will understand the justification companies have for using various operative strategies.

The consideration of case studies focusing on businesses that have effective customer service will benefit the learner. It is important at this stage for the learner to understand the impact, both positive and negative, that customer service can have on a business and how it is measured. It is the level and quality of customer service which can dictate the growth or decline of any business, regardless of size or structure.

External visits/guest speakers:

- local businessperson/entrepreneur
- operations manager from a local business/enterprise

Resources:

- classroom teaching pack:
 - PowerPoint (PPT)
 - lesson plans
 - scheme of work
 - worksheets
 - revision workbook

Other resources:

- 'Business Studies for Dummies' by Richard Pettinger
- 'Entrepreneur Revolution: How To Develop Your Entrepreneurial Mindset and Start a Business That Works' by Daniel Priestley
- 'The Business Book: Big Ideas Simply Explained' by DK
- 'How Business Works: A Graphic Guide to Business Success' by DK
- 'Be a Young Entrepreneur' by Adam Sutherland

Useful websites:

- www.markedbyteachers.com/gcse/business-studies/bmw-operations-management.html

4. Teaching guidance – operations management

- www.leanproduction.com/
- www.blog.hubspot.com/service/importance-customer-service
- www.businesscasestudies.co.uk/
- www.bbc.co.uk/education/subjects/zpsvr82
- www.bizkids.com/business-resources
- www.beebusinessbee.co.uk/index.php/business-topics

5. Teaching guidance – business growth

It is important that the learner is given the opportunity to gain knowledge and understanding of business and enterprise growth covering both internal and external growth, the efficiencies and costs of business and enterprise expansion and the challenges of growth, through a combination of class-based and practical learning.

Delivery of this learning outcome could take place through the investigation of a number of different businesses that have undertaken periods of growth, this could include a study of local and national, or international businesses.

An investigation into a small business local to the learner (for example, a hairdressing salon that has opened at least one other salon, or a garden nursery that has diversified into selling Christmas decorations and garden furniture) would enable the learner to understand that even small businesses that choose to grow will face challenges as well as enjoy the benefits of growth.

The learner can then investigate the growth of much larger businesses that have expanded rapidly through different methods, such as Primark and Amazon. A study of a businesses that has suffered diseconomies of scale would also be beneficial. By comparing and contrasting the different methods of growth and the advantages and challenges faced by these businesses, the learner will be able to gain both knowledge and understanding of this area.

External visits/guest speakers:

- local businessperson/entrepreneur
- customer service representative from a local business/enterprise

Resources:

- classroom teaching pack:
 - PowerPoint (PPT)
 - lesson plans
 - scheme of work
 - worksheets
 - revision workbook

Other resources:

- 'Business Studies for Dummies' by Richard Pettinger
- 'Entrepreneur Revolution: How To Develop Your Entrepreneurial Mindset and Start a Business That Works' by Daniel Priestley
- 'The Business Book: Big Ideas Simply Explained' by DK
- 'How Business Works: A Graphic Guide to Business Success' by DK
- 'Be a Young Entrepreneur' by Adam Sutherland

Useful websites:

- www.bbc.co.uk/bitesize/guides/zkr4wmn/revision/1
- www.businesscasestudies.co.uk/
- www.bizkids.com/business-resources
- www.beebusinessbee.co.uk/index.php/business-topics

5. Teaching guidance – business growth

- www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans

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6. Teaching guidance – sources of enterprise funding and business finance

It is important that the learner is given the opportunity to gain knowledge and understanding about business and enterprise funding and finance through a combination of class-based and practical learning.

Delivery of this learning outcome would benefit from the expertise and experience of a business banking manager. The learner should visit a bank to look at the funding and support provided by banks to start-ups and existing businesses. By working with business bank managers, the learner will develop a clearer understanding of not only what is available to new and existing businesses, but also the processes involved in applications and the success criteria and expectations of financial institutions. The learner should also consider the funding available through grants and bursaries, such as Prince's Trust, Lottery funding, council grants, or specialist institutions to support start-ups and how new businesses can utilise outlets, such as crowdfunding, to raise capital.

The learner would also benefit from talking to an accountant, and or a finance representative, from a local business to understand financial terms and to look at, and gain an understanding of, a range of commonly used financial documents (for example, break even charts, income statements and statements of financial position). The learner also needs to be provided with data from a variety of business samples to create these commonly-used financial documents.

The learner will understand ratio analysis. The learner will be provided with formulae for liquidity and profitability ratios and will need to be able to calculate ratios from given data and need to be able to interpret the ratios in terms of their significance for a business' liquidity and profitability. The learner will not be expected to recall the formulae.

It is also important that the learner can construct and interpret cash flow forecasts and appreciate their importance in managing cash in a business. This can be achieved through delivery of a number of simple cash flow exercises and inviting a local entrepreneur to talk about the importance of cash to the survival of a business.

External visits/guest speakers:

- local businessperson/entrepreneur
- accountant or finance representative from a local business/enterprise

Resources:

- classroom teaching pack:
 - PowerPoint (PPT)
 - lesson plans
 - scheme of work
 - worksheets
 - revision workbook

Other resources:

- 'The Finance Book' by Stuart Warner and Si Hussain
- 'Business Studies for Dummies' by Richard Pettinger
- 'Entrepreneur Revolution: How To Develop Your Entrepreneurial Mindset and Start a Business That Works' by Daniel Priestley
- 'The Business Book: Big Ideas Simply Explained' by DK

6. Teaching guidance – sources of enterprise funding and business finance

- 'How Business Works: A Graphic Guide to Business Success' by DK
- 'Be a Young Entrepreneur' by Adam Sutherland

Useful websites:

- www.businesscasestudies.co.uk
- www.bbc.co.uk/education/subjects/zpsvr82
- www.bizkids.com/business-resources
- www.beebusinessbee.co.uk/index.php/business-topics
- www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans
- quickbooks.intuit.com/r/financial-management/15-financial-terms-every-business-needs-to-know/

7. Teaching guidance – the impact of the external environment on business and enterprise

It is important that the learner is given the opportunity to gain knowledge and understanding about external influences through a combination of class-based and practical learning.

Delivery of this learning outcome could consider how governmental changes directly affect business and trade markets. The learner would benefit from an understanding of how current affairs directly affect the share markets. The learner should be aware of the impact of recent events on both the global economy and the UK economy such as the COVID-19 pandemic, Brexit, and the UK recession 2020/2021. The learner also needs to understand the impact on businesses and consumer changes in, for example, Bank of England base rates, current leading political parties, legislation, or localised events such as large factory closures.

It would also benefit the learner to understand how fashions and trends can dictate markets in clothing, interiors, electronics, and music, how buying habits can change and how the knock-on effect of these can influence employment and/or demand (for example, consider the trend towards vegan food and electric cars).

It would benefit the learner to consider an international/global event, a national event and a local event which has positively or negatively affected businesses. Case studies and examples should be provided.

External visits/guest speakers:

- local businessperson/entrepreneur
- HR representative from a local business/enterprise
- finance representative from a local business/enterprise
- operations manager from a local business/enterprise

Resources:

- classroom teaching pack:
 - PowerPoint (PPT)
 - lesson plans
 - scheme of work
 - worksheets
 - revision workbook

Other resources:

- 'Business Studies for Dummies' by Richard Pettinger
- 'Entrepreneur Revolution: How To Develop Your Entrepreneurial Mindset and Start a Business That Works' by Daniel Priestley
- 'The Business Book: Big Ideas Simply Explained' by DK
- 'How Business Works: A Graphic Guide to Business Success' by DK
- 'Be a Young Entrepreneur' by Adam Sutherland

Useful websites:

- www.entrepreneursuk.net/famous-entrepreneurs/
- www.bbc.co.uk/education/subjects/zpsvr82

7. Teaching guidance – the impact of the external environment on business and enterprise

- www.bizkids.com/business-resources
- www.beebusinessbee.co.uk/index.php/business-topics
- www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans

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8. Teaching guidance – Business and enterprise planning

It is important that the learner is given the opportunity to gain knowledge and understanding of the purposes and benefits of business and enterprise planning and will understand the sections of a business plan through a combination of class-based and practical learning.

An understanding of the purposes and benefits of business planning can be gained through an interview with a local businessperson or a small business advisor.

The learner could gain an understanding of the sections of a business plan by reviewing existing business plans to assess the information contained. They could consider the business type, marketing strategy, financial, physical and human resources. They can then be encouraged to consider an idea for their own hypothetical business start-up and to complete their own hypothetical business plan, covering all of the necessary sections.

External visits/guest speakers:

- local businessperson/entrepreneur
- small business advisor
- HR representative from a local business/enterprise
- finance representative from a local business/enterprise
- operations manager from a local business/enterprise
- marketing manager from a local business/enterprise

Resources:

- classroom teaching pack:
 - PowerPoint (PPT)
 - lesson plans
 - scheme of work
 - worksheets
 - revision workbook

Other resources:

- 'Business Studies for Dummies' by Richard Pettinger
- 'Entrepreneur Revolution: How to Develop Your Entrepreneurial Mindset and Start a Business That Works' by Daniel Priestley
- 'The Business Book: Big Ideas Simply Explained' by DK
- 'How Business Works: A Graphic Guide to Business Success' by DK
- 'Be a Young Entrepreneur' by Adam Sutherland

Useful websites:

- www.entrepreneurhandbook.co.uk/grants-loans
- www.businesscasestudies.co.uk
- www.bbc.co.uk/education/subjects/zpsvr82
- www.bizkids.com/business-resources
- www.beebusinessbee.co.uk/index.php/business-topics
- www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans

Synoptic connections

Synoptic assessment requires learners to combine elements of their learning and show accumulated knowledge and understanding across the qualification content. It enables learners to evidence their capability to integrate and apply knowledge, understanding, and skills gained with breadth and depth in context.

It is therefore essential when planning for teaching and throughout delivery that the interdependencies and links build across the content of the qualification and are highlighted and reinforced.

The qualification comprises 8 content areas in a single unit model. All content is mandatory and must be taught.

The teaching content does not have to be delivered in a linear way; the unit contents are interdependent in knowledge, skills, and concepts.

Teachers may take a synoptic approach across the qualification. This will enable learners to be able to apply theories and concepts from across the qualification specification in context to skills-based situations. Through combining content and developing holistic connections, learners will be able to demonstrate and evidence their full knowledge and understanding of the subject area and of the business and enterprise sector.

Learners will have the opportunity to identify relevant study skills and reflect upon their preferred learning style throughout the qualification.

Section 3: additional information

School accountability measures (performance points)

This V Cert qualification has been developed to meet the criteria set by the DfE to be included in the key stage 4 performance tables. Each grade has been assigned a points value. Please check the Register of Regulated Qualifications website register.ofqual.gov.uk for further information.

Discounting

If a learner is taking a GCSE and V Cert in the same year with the same discount code, such as GCSE Physical Education and an NCFE V Cert in health and fitness the first entry will count. However, because we do not upload V Cert data to the Department for Education (DfE) until August, the exam entry for V Certs is classed as the date the centre claims certification.

- if the centre delivers the GCSE Physical Education exam first and then claims the V Cert afterwards, the GCSE will count
- if the centre delivers the V Cert first and claims the certificate before the GCSE Physical Education exam is sat, the V Cert will count
- if the centre delivers the GCSE and the exam is sat on the same day the V Cert certificate is claimed, then it is the best result which counts

Discount codes for V Cert qualifications can be found on the NCFE website. We advise centres to refer to the [Discounting and Early Entry Guidance](#) document provided by the DfE. For more information on discounting please contact the DfE directly.

Qualification dates

Regulated qualifications have operational end dates and certification end dates.

We review qualifications regularly, working with sector representatives, vocational experts and stakeholders to make any changes necessary to meet sector needs and to reflect recent developments.

If a decision is made to withdraw a qualification, we will set an operational end date and provide reasonable notice to our centres. We will also take all reasonable steps to protect the interest of learners.

An operational end date will only show on the Ofqual Register of Regulated Qualifications register.ofqual.gov.uk if a decision has been made to withdraw a qualification. After this date we can no longer accept learner registrations. However, certification is allowed until the certification end date so that learners have time to complete any programmes of study. The certification end date will only show on the Ofqual Register once an operational end date has been set. After this date we can no longer process certification claims.

Where a qualification has an external assessment, this can only be taken up to the last assessment date set by us. No external assessments will be permitted after this date so learners will need to be entered in sufficient time.

Support materials

The following support materials are available to assist with the delivery of this qualification and are available on the NCFE website:

- learning resources
- qualification factsheet

Other support materials

The resources and materials used in the delivery of this qualification must be age-appropriate and due consideration should be given to the wellbeing and safeguarding of learners in line with your centre's safeguarding policy when developing or selecting delivery materials.

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