Topic	Key knowledge/skills	Self-Assessment		
				
1.1.1 The dynamic nature of business	Why new business ideas come about: • changes in technology • changes in what consumers want • products and services becoming obsolete. How new business ideas come about: • original ideas • adapting existing products/services/ideas			
1.1.2 Risk and reward	The impact of risk and reward on business activity: • risk: business failure, financial loss, lack of security • Reward: business success, profit, independence			
1.1.3 The role of business enterprise	The role of business enterprise and the purpose of business activity: • to produce goods or services • to meet customer needs • to add value: convenience, branding, quality, design, unique selling points. The role of entrepreneurship: • an entrepreneur: organises resources, makes business decisions, takes risks.			
1.2.1 Customer needs	Identifying and understanding customer needs: • what customer needs are: price, quality, choice, convenience • the importance of identifying and understanding customers: generating sales, business survival.			
1.2.2 Market research	The purpose of market research: • to identify and understand customer needs • to identify gaps in the market • to reduce risk • to inform business decisions. Methods of market research: • primary research: survey, questionnaire, focus group, observation • secondary research: internet, market reports, government reports. The use of data in market research: • qualitative and quantitative data • the role of social media in collecting market research data • the importance of the reliability of market research data.			
1.2.3 Market segmentation	How businesses use market segmentation to target customers: • identifying market segments: location, demographics, lifestyle, income, age • market mapping to identify a gap in the market and the competition.			
1.2.4 The competitive environment	Understanding the competitive environment: • strengths and weaknesses of competitors based on: price, quality, location, product range and customer service • the impact of competition on business decision making			
1.3.1 Business aims and objectives	What business aims and business objectives are. Business aims and objectives when starting up: • financial aims and objectives: survival, profit, sales, market share, financial security			

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	• non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control. Why aims and objectives differ between businesses.			
1.3.2 Business revenues, costs and profits	The concept and calculation of: • revenue • fixed and variable costs and total costs • profit and loss • interest			
1.3.2 Breakeven	The concept and calculation of: • break-even level of output (BEQ) • margin of safety. Interpretation of break-even diagrams: • the impact of changes in revenue and costs • break-even level of output • margin of safety • profit and loss.			
1.3.3 Cash and cash flow	The importance of cash to a business: • to pay suppliers, overheads and employees • to prevent business failure (insolvency) • the difference between cash and profit. Calculation and interpretation of cash-flow forecasts: • cash inflows • cash outflows • net cash flow • opening and closing balances.			
1.3.4 Sources of business finance	Sources of finance for a start-up or established small business: • short-term sources: overdraft and trade credit • long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding.			
1.4.1 The options for start-up and small businesses	The concept of limited liability: • limited and unlimited liability • the implications for the business owner(s) of limited and unlimited liability. The types of business ownership for start-ups: • sole trader, partnership, private limited company • the advantages and disadvantages of each type of business ownership. The option of starting up and running a franchise operation: the advantages and disadvantages of franchising.			
1.4.2 Business location	Factors influencing business location: • proximity to: market, labour, materials and competitors • nature of the business activity • the impact of the internet on location decisions: • e-commerce and/or fixed premises.			
1.4.3 The marketing mix	What the marketing mix is and the importance of each element: • price, product, promotion, place. How the elements of the marketing mix work together: • balancing the marketing mix based on the competitive environment • the impact of changing consumer needs on the marketing mix			

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	• the impact of technology on the marketing mix: e-commerce, digital communication.			
1.4.4 Business plans	The role and importance of a business plan: • to identify: the business idea; business aims and objectives; target market (market research); forecast revenue, cost and profit; cash-flow forecast; sources of finance; location; marketing mix. The purpose of planning business activity: • the role and importance of a business plan in minimising risk and obtaining finance.			
1.5.1 Business stakeholders	Who business stakeholders are and their different objectives: • shareholders (owners), employees, customers, managers, suppliers, local community, pressure groups, the government. Stakeholders and businesses: • how stakeholders are affected by business activity • how stakeholders impact business activity • possible conflicts between stakeholder groups.			
1.5.2 Technology and business	Different types of technology used by business: • e-commerce; social media; digital communication; payment systems. How technology influences business activity in terms of: • sales; costs; and marketing mix.			
1.5.3 Legislation and business	The purpose of legislation: • principles of consumer law: quality and consumer rights • principles of employment law: recruitment, pay, discrimination and health and safety. The impact of legislation on businesses: • cost • consequences of meeting and not meeting these obligations.			
1.5.4 The economy and business	The impact of the economic climate on businesses: • Unemployment • changing levels of consumer income • Inflation • changes in interest rates • government taxation • changes in exchange rates.			
1.5.5 External influences	The importance of external influences on business: • Possible responses by the business to changes in: technology, legislation, the economic climate			
2.1.1 Business growth	Methods of business growth and their impact: • internal (organic) growth: new products, new markets • external (inorganic) growth: merger, takeover. The types of business ownership for growing businesses: public limited company (plc) Sources of finance for growing and established businesses: • internal sources: retained profit, selling assets external sources: loan capital, share capital, including stock market flotation (public limited companies).			

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2.1.2 Changes in business aims and objectives	Why business aims and objectives change as businesses evolve: • in response to: market conditions, technology, performance, legislation, internal reasons. How business aims and objectives change as businesses evolve: • focus on survival or growth • entering or exiting markets • growing or reducing the workforce increasing or decreasing product range.			
2.1.3 Business and globalisation	The impact of globalisation on businesses: • imports: competition from overseas, buying from overseas • exports: selling to overseas markets • changing business locations • multinationals. Barriers to international trade: • tariffs • trade blocs. How businesses compete internationally: • the use of the internet and e-commerce • changing the marketing mix to compete internationally.			
2.1.4 Ethics, the environment and business	The impact of ethical and environmental considerations on businesses: • how ethical considerations influence business activity: possible trade-offs between ethics and profit • how environmental considerations influence business activity: possible trade-offs between the environment, sustainability and profit • the potential impact of pressure group activity on the marketing mix.			
2.2.1 Product	The design mix: • function, aesthetics, cost The product life cycle: • the phases of the product life cycle • extension strategies. The importance to a business of differentiating a product/service.			
2.2.2 Price	• pricing strategies • influences on pricing strategies: technology, competition, market segments, product life cycle.			
2.2.3 Promotion	• appropriate promotion strategies for different market segments: advertising, sponsorship, product trials, special offers, branding • the use of technology in promotion: targeted advertising online, viral advertising via social media, e-newsletters.			
2.2.4 Place	Methods of distribution: • retailers and • e-tailers (e-commerce).			
2.2.5 Using the marketing mix to make business decisions	How each element of the marketing mix can influence other elements. Using the marketing mix to build competitive advantage.			

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	How an integrated marketing mix can influence competitive advantage.			
2.3.1 Business operations	The purpose of business operations: • to produce goods • to provide services. Production processes: different types: • job, batch, flow • the impact of different types of production process: keeping productivity up and costs down and allowing for competitive prices. • Impacts of technology on production: balancing cost, productivity, quality and flexibility.			
2.3.2 Working with suppliers	Managing stock: • interpretation of bar gate stock graphs • the use of just in time (JIT) stock control. The role of procurement: • relationships with suppliers: quality, delivery (cost, speed, reliability), availability, cost, trust • the impact of logistics and supply decisions on: costs, reputation, customer satisfaction.			
2.3.3 Managing quality	The concept of quality and its importance in: • the production of goods and the provision of services: quality control and quality assurance • allowing a business to control costs and gain a competitive advantage.			
2.3.4 The sales process	The sales process: • product knowledge, speed and efficiency of service, customer engagement, responses to customer feedback, post-sales service. The importance to businesses of providing good customer service			
2.4.1 Business calculations	The concept and calculation of: • gross profit • net profit Calculation and interpretation of: • gross profit margin • net profit margin • average rate of return.			
2.4.2 Understanding business performance	The use and interpretation of quantitative business data to support, inform and justify business decisions: information from graphs and charts • financial data • marketing data • market data. The use and limitations of financial information in: • understanding business performance • making business decisions.			
2.5.1 Making human resource decisions	Different organisational structures and when each are appropriate: • hierarchical and flat • centralised and decentralised. The importance of effective communication: • the impact of insufficient or excessive communication on efficiency and motivation • barriers to effective communication. Different ways of working: • part-time, full-time and flexible hours			

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	• permanent, temporary, and freelance contracts • the impact of technology on ways of working: efficiency, remote working.			
2.5.2 Effective recruitment	Different job roles and responsibilities: • key job roles and their responsibilities: directors, senior managers, supervisors/team leaders, operational and support staff. How businesses recruit people: • documents: person specification and job description, application form, CV • recruitment methods used to meet different business needs (internal and external recruitment).			
2.5.3 Effective training and development	How businesses train and develop employees: • different ways of training and developing employees: formal and informal training, self-learning, ongoing training for all employees, use of target setting and performance reviews. Why businesses train and develop employees: • the link between training, motivation and retention • retraining to use new technology.			
2.5.4 Motivation	The importance of motivation in the workplace: attracting employees, retaining employees, productivity. How businesses motivate employees: • financial methods: remuneration, bonus, commission, promotion, fringe benefits • non-financial methods: job rotation, job enrichment, autonomy.			