Component title	Exploring Enterprises
Guided learning hours	36
Number of lessons	36
Duration of lessons	1 hour

Lesson	Topic from specification	Suggested activities	Classroom resources
Learning aim A: Examine the characteristics of enterprises			

1	A1 What is an enterprise?
	
	● Enterprises carry out one or more activities, such as being involved with goods, services or both
	● Most enterprises face some kind of competition
	● Enterprises need to attract and keep customers happy and often face difficulties in capturing and retaining customers
		Introductory activity: Students work in pairs to list five small or medium enterprises (SMEs) they know of, stating whether the enterprises provide goods, services or both. Afterwards, students compare answers with another pair.
		
		Main session activities:
		● Students work individually to decide if enterprises from different categories (cleaning business, caravan park, cycle shop, sweet shop) sell goods, services or both. Students think of examples for each type of enterprise in their local area.
		● Students work in small groups to select three enterprises in their area that they use, note down the features of each one and then answer these questions:
		  o What does each enterprise offer – services, goods or both?
		  o What makes each unique?
		  o How much competition does it have in the area?
		  o What do people buy from them?
			A prepared list of SMEs answering the questions listed to share as extra examples.

		Plenary activity: Students make a list of the differences between goods and services and give an example of an enterprise that provides each.	
2	A1 What is an enterprise? ● The role of customer service in attracting new customers, securing repeat purchases, customer loyalty and an improved reputation ● Enterprises use creativity and innovation to meet customers' needs by identifying gaps in the market for goods or services, or identifying a market for new goods or services ● Reasons why some enterprises fail	**Introductory activity:** Students discuss how small enterprises can offer great customer service, based on their experience of using one. The teacher directs them to consider these questions: ● What makes customer service good? ● How can it be made unique? **Main session activities:** ● Students work in small groups to discuss the skills and qualities a good customer service employee should have. Students consider the training required in order to develop the best customer service skills and why these skills are important. Students also identify the actions an enterprise should take if an employee does not provide good customer service. ● Students visit CSS Cloud's website to find out how it uses creativity and innovation to develop new products or services. Using their findings, they make judgements about the customer service this enterprise offers. ● Teacher-led discussion about why students think enterprises fail. Students make a bullet list of the key points. **Plenary activity:** Teacher-led discussion to establish three reasons why customer service is important for an enterprise.	A useful website for students to explore is CSS Cloud (www.csscloud.co.uk), an IT support service. The company is an example of a local enterprise that offers a service.
3	A2 Types and characteristics of small and medium enterprises (SMEs)	**Introductory activity:** Students work in small groups to discuss the difference between the words 'micro', 'small' and 'medium'. The teacher lists the definitions and leads a brief discussion on how they could be applied to	A useful example to consider when discussing how enterprises grow is Pasta Foods (www.pastafoods.com).

| | Definitions of SMEs:
● micro – up to ten people
● small – between 11 and 49 staff
● medium – between 50 and 249 staff | an enterprise.
Main session activities:
● Students carry out research into three SMEs, then answer the following questions (where applicable):
  o Why was it started?
  o How has it expanded?
  o How much money is invested in it?
  o What has made it successful?
  o Why is it unique?
  o Why has it won awards?
● The teacher explains how an enterprise moves from being micro or small to becoming medium, and what the enterprise needs to do in the future in order to grow larger.
Plenary activity: Students work in pairs to discuss the definitions of 'micro', 'small' and 'medium' enterprises, giving an example of each that they have heard of locally. | Talks from local entrepreneurs could be arranged to enrich the learning experience.

Local newspapers with business stories may also be useful. |
| 4 | A2 Types and characteristics of small and medium enterprises (SMEs)

Characteristics of small and medium enterprises (SMEs) | **Introductory activity:** Students work in pairs to identify a small enterprise in their area and pin point what it does.
Main session activities:
● Students work in pairs to think about an experience they have had working for an SME or, alternatively, carry out research into an SME online. Using this information, students produce a poster outlining the benefits of working for an SME.
● Students work in small groups to discuss the disadvantages of working for SMEs. Students then consider whether they would like to work for an SME and justify their answer to the group.
● Students research the different types of ownership | A talk from a person from the local chamber of commerce could be arranged. |

		an SME can have. For a local SME, students describe the service it provides and note whether its ownership type has helped it to be successful. **Plenary activity:** Students work in pairs to discuss the reasons why an entrepreneur might operate as a limited company or as a sole trader. Students list the benefits and risks associated with each type of enterprise.	

5	A3 The purpose of enterprise
	
	● Aims such as making a profit, surviving, expanding, maximising sales, providing a voluntary or charitable service, being environmentally friendly, being ethical
	● Objectives that can provide challenges and targets over a defined period of time
		Introductory activity: Teacher-led discussion to decide the main reasons why someone would wish to run their own enterprise. Students name the type of enterprise they would set up if given the opportunity.
		
		Main session activities:
		● The teacher explains that the main reasons some SMEs do not survive are because of the following:
		   o a lack of money starting up
		   o costs higher than expected
		   o not having the right skills
		   o not having enough customers
		   o not conducting proper market research
		   o lack of experience
		   o poor customer service.
		● Students work in groups to come up with an action the SME owner or manager could do to avoid each of the issues listed and discuss their answers as a group.
		● Students research the community interest group Your Own Place and answer these questions:
		   o What are the enterprise's aims?
		   o What makes it different from other social enterprises?
		   o What type of liability does it have?
			A useful example to consider when working on social enterprise is The Big Fig (http://thebigfig.co.uk), a social enterprise catering company.
			
			A visit to a local social enterprise or talk from a social entrepreneur could be arranged.

		Plenary activity: Students work in pairs to discuss the difference between aims and objectives. Students then discuss why using SMART objectives would be beneficial to a business.	
6	A3 The purpose of enterprise How social and political pressures can influence enterprises to consider wider ethical responsibilities	**Introductory activity:** Students work in pairs to list examples of social enterprises. The teacher helps students to define 'social pressure' and 'political pressure'. **Main session activities:** ● Students work in small groups to research the recent trend of 'selfie sticks' and determine the social pressure placed on customers using them. Students consider the effects of falling sales on an SME that sold these products and what the SME would need to do to protect its business in the future. ● Students carry out research into the social enterprise Nemi Teas, how it operates and the reason why this SME was set up. ● Students research Stokes Sauces to see how it benefited from working with the New Anglia Local Enterprise Partnership. ● Students work in pairs to discuss why politicians and local councils want SMEs to receive grants, and the benefits these could engender for the wider community. **Plenary activity:** Students work in pairs and take turns explaining to their partner the differences between social and political pressure.	Ethical dilemma ideas could be placed on cue cards chosen in advance and given to students in groups for discussion. Students may benefit from looking at the Social Enterprise website (www.socialenterprise.org.uk). Social Enterprise is the national body for businesses that have a social or environmental mission.
7	A3 The purpose of enterprise Range of the types of products and services provided by enterprises,	**Introductory activity:** Students work in small groups to identify enterprises that provide goods and services in the local area. Students put these into groups based on their similarities and decide if the enterprises selling goods or services are more popular.	Access to paper-based newspapers, journals that are local and any business flyers/ promotional materials.

	e.g: ● cleaning ● fitness instruction ● IT consultancies ● financial consultancies ● selling products, such as a food stall, news agent, artists selling work online	**Main session activities:** ● Students research Virtu Conservation Housekeeping to find out about the enterprise's history and the services it offers. ● Students work in pairs to research Century IT Services, discussing the advantages of having a limited liability partnership as an IT consultancy enterprise. ● Students think about other types of SMEs not discussed in the text and write down all the examples they can think of. ● Students work in pairs to research Nuoi Foods and Munchy Seeds, using the enterprises' websites. Students note the similarities and differences between the enterprises and, as a pair, try to think of ideas for a new food enterprise for their local area. **Plenary activity:** Students work in pairs to identify a small enterprise that operates locally and describe what it does. Students also note the advantages of working as a sole trader rather than as a limited company and give reasons why some entrepreneurs decide to stay as sole traders.	
8	A4 Entrepreneurs Reasons for starting your own enterprise – to be your own boss, to pursue a hobby, flexibility	**Introductory activity:** Students work in pairs to discuss whether they would enjoy being their own boss or having people work for them. **Main session activities:** ● Students work in small groups to discuss the benefits and drawbacks of being their own boss. ● Students conduct research on the company I Heart Buttons, using its website to find out when it was started and the steps the owner took to be successful	Images of famous entrepreneurs or local business people who are well known, plus details of which enterprises they own. A talk from an entrepreneur would illustrate the points made in this lesson.

		● Students work in small groups to discuss and list their hobbies and interests. Students then answer the following questions:
		
		   o Could any of these hobbies or interests be turned into an enterprise?
		
		   o How skilled are they in this area?
		
		   o How easy would it be to set up an enterprise from a hobby or interest?
		
		   o How much money would be needed to set up an enterprise?
		
		   o Are there a lot of similar enterprises competing in the local area?
		
		● Students research the social enterprise, How it Should Be (HISBE), using its website. Students explain three ways in which HISBE keeps to its core values and consider different ways to offer goods and services that could form the basis of a new type of enterprise.
		
		Plenary activity: Students think about the disadvantages of entrepreneurs using their hobby as the basis to start an enterprise. Each student names one disadvantage.	

9	A4 Entrepreneurs Mind-set: ● focused ● passionate ● motivated and dedicated ● inventive or innovative ● proactive, confident, flexible and adaptable	**Introductory activity:** Students identify their own mind-set and the characteristics they demonstrate on the course and in their personal lives (for example, discipline, work ethic, positive thinking). Teacher-led discussion on how students could apply these attitudes and characteristics to becoming an entrepreneur. **Main session activities:** ● Students think about occasions when they have had important tasks to do that they failed to complete, and the reasons why they were distracted.	A list of mind-sets, which can be put up and removed at any time to remind students of key attitudes and characteristics. The list can be displayed again to check against students' examples.

	● resilient ● having vision and the capacity to inspire	● Students visit the website of Parravani's Ice Cream to find out how the founder set up the enterprise and how his passionate mind-set led to its success. ● Students research Hannah Banana Bakery to find out how it is different from other bakeries and about the goods that the it offers. ● Teacher-led discussion on the differences between the mind-sets of the entrepreneurs and the students, and how to address these differences. **Plenary activity:** Teacher-led discussion on the meaning of the term 'proactive'. Students to explain why entrepreneurs need to have a proactive mind-set.	
10	A4 Entrepreneurs Skills for success: ● knowledge of industry/sector ● technical skills ● interpersonal communication skills ● planning skills ● time management ● negotiation ● prioritising tasks ● problem solving ● managing risk	**Introductory activity:** Students reflect on skills they have acquired in their personal lives, how useful these skills are and the amount of practice it takes to be more highly skilled than other people. Students think about the skills an entrepreneur needs and the reasons why. **Main session activities:** ● Students work in small groups to discuss the skills and knowledge needed to start an enterprise, the importance of keeping staff trained adequately and the consequences of staff not being up to date with the relevant skills needed to run an enterprise successfully. ● Students work in pairs to determine the meaning of a 'win–win solution' for an entrepreneur and decide if it is always possible for an enterprise to achieve the best possible solution for themselves and their customers. **Plenary activity:** Students identify three mind-set elements that entrepreneurs need and the skills that help support the elements that they choose.	Use of video would be helpful here to aid the communication exercise. Timetables to review the week and how time is spent.
11	Learning aim A: assessment	**Introductory activity:** The teacher explains how the	Assignment details.

	practice Assessment	assessment works, including timescales and requirements for the assessment material. **Main session activity:** ● Students use what they have learned to carry out research into real enterprises by comparing two contrasting local enterprises. **Plenary activity:** The teacher leads a check on students' understanding of key terminology.	Research materials.
12	Assessment	Students to spend lesson time and non-supervised time completing assignment. This may be a centre-devised assignment or the Pearson Authorised Assignment Brief.	Assignment details. Research materials.
13	Assessment	Students to spend lesson time and non-supervised time completing assignment. This may be a centre-devised assignment or the Pearson Authorised Assignment Brief.	Assignment details. Research materials.
Learning aim B: Explore how market research helps enterprises meet customer needs and understand competitor behaviour			
14	B1 Customer needs Anticipating and identifying customer expectations	**Introductory activity:** Students list types of market research they have heard of and how they think it is collected. Teacher collects these on the board and uses this information to work out existing knowledge and understanding. **Main session activities:** ● The teacher explains the difference between anticipating and identifying customer needs. ● In small groups, students list the information required to work out the number of customers a retail shop would need at Christmas time and how the information could be collected. ● Students choose an enterprise and try to establish how the needs of customers could be anticipated.	Copies of SOGA (the Sales of Goods Act 1979) and CRA (the Consumer Rights Act 2015) in simplified leaflet format may be useful here as a way of highlighting customer rights. The full version of SOGA can be found at www.legislation.gov.uk/ukpga/1979/54/contents A useful summary can be found on the *Which?* website (www.which.co.uk/consumer-rights/regulation/sale-of-goods-act). The full version of CRA can be found at: www.legislation.gov.uk/ukpga/2015/15/contents/enacted A useful summary can be found on the *Which?* website (www.which.co.uk/consumer-rights/regulation/consumer-rights-act).

		● In terms of meeting customer expectations, teacher explains good value products, rapid response to enquiries and clear, honest information. **Plenary activity:** Students explain the difference between anticipating and identifying customer needs.	
15	B1 Customer needs ● After-sales service ● Linking products to customers	**Introductory activity:** Students list expensive items they have bought in the past and what service or contact they had with the SME that sold it to them. **Main session activities:** ● The teacher explains what is meant by after-sales service and the different methods of support offered after a sale. ● Students consider the different ways information can be collected on customer satisfaction levels as part of the after-sales service, and which methods they think are the best for different SMEs in their area. ● The teacher explains 'additional services' as part of after-sales – for example, repairs/maintenance, guarantees and delivery information. ● The teacher leads a discussion on how customers are linked to different products according to their gender, income, lifestyle or location. Students think of goods or services that are matched to particular ages, incomes and so on. ● Using advertising from a local SME, students categorise which customers are being targeted to link to the products. **Plenary activity:** Students think about how enterprises can increase sales by offering good after-sales service. For homework, they research different products they see at home, on TV or hear about on the radio. They bring a list of examples to the next lesson, saying who they think they are targeted at and why.	A selection of advertising materials for local SMEs to help students understand how customers are linked to particular products. Access to YouTube to review a range of advertising and how advertising can be targeted. A starting point for this could be a short film from the Advertising Standards Authority(www.youtube.com/watch?v=0xjTJoLklvs). A range of adverts can be found on YouTube (www.youtube.com/watch?v=hG0ZXD89Bq0). Teachers may want to monitor these first before showing to students.

| 16 | B2 Using market research to understand customers

● Qualitative research
● Quantitative research | **Introductory activity:** Students think of different types of data they have read and then categorise that data into quantitative or qualitative, stating which is most important for an SME.

Main session activities:

● The teacher explains the difference between quantitative and qualitative data and why it is important for SMEs to use both.

● Students consider the most useful qualitative and quantitative data for a range of SMEs and how it could be collected – including what that data would look like.

● The teacher explains the difference between open-ended and closed questions, giving examples of each.

Plenary activity: Students write down two questions that collect quantitative data and two that collect qualitative data. For homework, they write another three questions for each. | Statistical information from the local press or online reviews of SMEs in the area or other ratings such as those on TripAdvisor or Facebook can all be used to explain the difference between quantitative and qualitative data. |
| 17 | B2 Using market research to understand customers

Types of primary research:
● questionnaires
● visits and observations | **Introductory activity:** Students work out what is meant by primary research and discuss examples of types of primary research.

Main session activities:

● The teacher explains the benefits and concerns with collecting primary research – including how it is being collected online much more now than in face-to-face situations, due to lower costs and a wider audience.

● In groups, students carry out research into the benefits and drawbacks of collecting online primary research.

● In pairs, students revise what is meant by 'open-ended' questions and discuss examples of 'closed' | Examples of questionnaires for students to review.

Examples of different types of questions on cue cards to stimulate thinking. |

		questions. Teacher checks understanding, then students write a selection of each type of question. ● The teacher leads a discussion on what a 'questionnaire' is, explaining the elements associated with questionnaires. ● Students learn how a visit or observation works. Teacher then sets up a mock observation to demonstrate how this works. **Plenary activity:** Students come up with a definition of 'primary research' and describe at least two examples of this type of research that would be easy and cheap for an SME to use.	
18	**B2 Using market research to understand customers** Types of primary research: ● interviews ● focus groups ● surveys	**Introductory activity:** Students list all the types of interviews they have heard of and discuss what information can be collected during an interview. **Main session activities:** ● The teacher explains the purpose of interviews, and the difference between a focus group and an interview. They explain the costs associated with primary research, particularly with one-to-one interviews. ● Students think about the resources an SME would require in order to conduct face-to-face interviews and come up with a list. ● Students consider the use of technology by completing an activity on the benefits and drawbacks of using technology, such as instant messaging, video calls and conference calls, to obtain the opinions of an individual and a group of people. Teacher leads a discussion on the differences between 'technological' interviews and face-to-face. ● Students present their judgements from the previous activity on the advantages and	Examples of surveys and survey questions. Access to technology where possible – e.g. Messenger or FaceTime – to interview an entrepreneur live, if this is feasible. Videos on YouTube of focus groups in progress – for example, food tasting panels. Campden BRI has a short film on food tasting (www.youtube.com/watch?v=mhQOgLzlZfc). The University of Derby has a video explaining how focus groups work (www.youtube.com/watch?v=XA2Eo1ggkjc).

		disadvantages of using technology for interviews and focus groups. **Plenary activity:** Students explain the differences between focus groups and individual interviews and discuss why each method might be used.	
19	B2 Using market research to understand customers Sources of secondary research: ● online research ● company materials	**Introductory activity:** Students work out what is meant by secondary research, and think of examples of secondary research. The teacher lists examples they have heard of to produce a class list. **Main session activities:** ● The teacher confirms a definition of secondary research and the different types available – including what is published on websites, journals and so on. ● Students review statistics that are secondary research data. This could be tourism statistics, sales from a store or any other relevant information related to SMEs. ● Students carry out their own research online into an item they are familiar with – for example, trainers or clothing. Then they carry out secondary research into the SMEs that offer this item. ● Students find out as much as they can about a company of their choice, using printed material (available in class) or online. They prepare their information to share with the class. **Plenary activity:** Students write a definition explaining what secondary research is and come up with two examples of how this type of research can be carried out.	Company materials such as reports or other published material that can be given out for students to view in class. These can be downloaded from the internet and printed out. The Gov.UK Companies House website (www.gov.uk/government/organisations/companies-house) might also be useful here.
20	B2 Using market research to understand customers Sources of secondary research:	**Introductory activity:** Students look into where they can find published information that would help them in their area if they were offering a service, such as gardening or dog walking.	

		Main session activities:	Examples of published reports for students to look at (see the previous lesson).
	● market reports ● government reports	● The teacher explains where secondary research can come from and discusses published reports available from different industry experts and from the government. These are also secondary data. ● Students learn about organisations like *Which?* that advise customers on information about products or services. ● Students then search industry websites, such as *Which?*, to look at the type of information they contain. ● Students research market updates for different industries and regulators, such as Ofcom. ● Students learn about the importance of government reports and the statistics freely available for SMEs to use. They consider how these statistics can influence the way that enterprises operate. ● The teacher explains (and demonstrates) the information and data held online by Companies House. This includes data about enterprises, which can be useful when researching SMEs. **Plenary activity:** Students explain why these forms of secondary research are useful to enterprises and how an enterprise could use secondary research to increase its customers.	Examples of *Which?* reports from www.which.co.uk (a subscription may be needed to access these). Ofcom (www.ofcom.org.uk) is the UK regulator for communications – including TV, radio and on-demand sectors. There may be some useful background information on its website that could support students' work.
21	B3 Understanding competitors The main features that make products competitive: ● price ● quality	**Introductory activity:** Students consider why they buy a particular brand or type of product compared to another – for example a mobile phone or a type of pizza. They discuss the features and price of the product that they choose. **Main session activities:** ● The teacher explains how different features make products unique and that being different is why	Use of different types of products with different prices to stimulate thinking – for example, four types of baked beans – to discuss features, branding and so on. TripAdvisor (www.tripadvisor.co.uk) is a useful online resource for checking reviews.

		some consumers choose them.	
		● The teacher leads a discussion on price and states that being cheaper is not always what customers want. If appropriate, this can be linked back to customer needs in earlier lessons throughout the SoW, and to content on USPs in the next lesson. The importance of checking prices against what competitors are charging is considered in terms of linking price with quality – you get what you pay for.	
		● Students look at the price of a product of their choice. They carry out online research into where it could be bought and the different prices charged.	
		● Students consider the advantages and disadvantages of online ratings sites. They search one of these sites for an SME in their area and consider whether the comments of reviewers can affect business.	
		Plenary activity: Students think about two examples of when an SME might choose to compete on product or service quality rather than price and write a brief summary of each.	
22	B3 Understanding competitors The main features that make products competitive: ● availability ● unique features and selling points (USPs)	**Introductory activity:** Students consider what they would do if they ran out of a favourite brand at home, and their local shop had run out of it as well. What would they do next? Buy a different brand? Shop in a different place? What is the unique selling point of the particular brand they buy? **Main session activities:** ● Students learn how availability can affect sales and perhaps lead to a loss in customers. They also learn about the implications for profits if too much money is invested in stock. ● Students list the reasons why one enterprise might want to have a wide range of stock and another	Articles on fashion trends (especially at peak times such as Christmas). These are readily available by searching for 'fashion trends' on the internet. There are videos on YouTube on lead times. A short introduction can be found from TDM videos (www.youtube.com/watch?v=kcSlnAOcO0E).

		might want to keep stock to a minimum.	
		● The teacher may, at this point, briefly explain 'lead times', including how different types of products – for example, sofas or larger items – have longer lead times, the implications for small enterprises when being competitive, and also the implications for waiting customers.	
		● Working alone, students research one unique product from an enterprise in their area. They think about its main features and then, with a partner, 'pitch' it to them, emphasising its uniqueness and why that makes the product good.	
		Plenary activity: Students discuss whether or not they agree with the statement: 'Having products available is essential for any enterprise.' They then give reasons for their choice.	
23	B3 Understanding competitors How products stand out in a market	**Introductory activity:** Students list all the enterprises of a similar type – for example, cafés or Italian restaurants – they could easily visit in their area. How many exist? The teacher links this to competition, competitors and pricing. **Main session activities:** ● Students research where they can buy a specific product, such as second-hand furniture, and how much competition exists in their area. ● Using the product they have chosen, students list how different businesses can be compared – location, delivery, websites and so on – to understand more about competition and competitors. ● In small groups, students use the information they have found to prepare and complete a competitor analysis table for the enterprises they have found. They then choose a service for which enterprises	Examples of menus and advertising could be useful here. Examples can be found online, as well as in a hard copy format.

		exist in their local area, and complete another competitor analysis table on this. ● Students research a unique enterprise and consider whether it would be possible to open something similar in their area. They then select a product available locally and create a mind map of the skills and ideas needed to make this product stand out in its market. **Plenary activity:** The teacher uses Q&A to revise pricing, competition, methods of how to research competition and what is meant by USP.	
24	Learning aim B: assessment practice Assessment	**Introductory activity:** The teacher explains how the assessment works, including timescales and requirements for the assessment material. **Main session activity:** ● Students take what they have learned to compare two local enterprises by undertaking research. **Plenary activity:** The teacher leads a check on the students' understanding of key terminology.	Assignment brief. Research materials.
25	Assessment	Students spend lesson time and non-supervised time completing assignment. This may be a centre-devised assignment or the Pearson Authorised Assignment Brief.	Assignment brief. Research materials.
Learning aim C: Investigate the factors that contribute to the success of an enterprise			
26	C1 Internal factors Factors within the control of the enterprise that can impact on costs: ● understanding the market ● keeping customers satisfied	**Introductory activity:** Students think of a failed enterprise in their area and write a list of factors that led to its closure. **Main session activities:** ● The teacher outlines the way basic research helps an enterprise to understand a market. ● In pairs, students research the size of the market in the class for two types of goods or services.	Food items to discuss as focus groups or other products to stimulate discussion. Presentation materials including cue cards.

		● Students identify how much their classmates would be willing to pay for the products and the size of the market if it was expanded to all the classes in your centre. They then work out the size of the market for these goods/services in their area and online. ● The teacher leads a discussion about which market is the best for a new enterprise venture to go into. Students produce a competitor analysis table for the most popular market and consider whether a new enterprise in this market would be successful. ● Students learn about beating competitors on quality, price, features, customer service, availability, convenience and customer satisfaction. In pairs, they list examples of each from their own knowledge. **Plenary activity:** Students compile a list of the reasons why it is important for an enterprise to understand its market.	
27	C1 Internal factors Factors within the control of the enterprise that can impact on costs: ● effective planning and financing ● marketing and promoting ● unforeseen human resource costs	**Introductory activity:** Students briefly discuss why cash flow is very important for any enterprise and how it is used. **Main session activities:** ● Teacher explains that effective planning and financing is critical to any SME and why this is the case. ● Students consider why planning is crucial for an enterprise and make a list of the reasons they come up with. ● Teacher explains how marketing and promoting an enterprise can be done at little to no cost and outlines unforeseen human resource costs, such as staff illness and how these might be minimised, e.g. through contingency planning. ● Students imagine they are running an enterprise	YouTube videos of visits to enterprises. Young Enterprise UK (www.youtube.com/user/YoungEnterpriseUK) may be a useful resource.

		and have received a very negative review from a customer. Working individually, they decide how they will respond to the customer and write a reply. They then compare their responses with other members of the class. **Plenary activity:** Students explain three reasons why effective planning is so important for an enterprise.	
28	C2 External factors Factors outside the control of the enterprise that can impact on costs Changes in the cost of energy, raw materials, borrowing, and renting premises	**Introductory activity:** In small groups, students discuss and write down three external factors that could affect an SME. **Main session activities:** ● The teacher outlines the lesson's focus: different types of costs that can affect the way that the SME runs – energy, raw materials, borrowing and premises. ● Students work out the raw materials needed by an SME, such as a bakery. They note what happens to the SME if costs rise and the impact this has on gross profit. The teacher can make a link to future learning in Component 3. ● Students learn what happens when an enterprise borrows money to help it operate. They research different types of premises and the costs of renting, and discuss what the impact might be on an enterprise if its rental costs increased. They then think about whether the enterprise would need to change its prices and what would happen if it did so. **Plenary activity:** Students write lists of the raw materials required by two different types of enterprise, and compare them.	Information from websites such as www.moneysavingexpert.com are useful to help explain terms such as APR in business. Websites such as Barclays (www.barclays.co.uk) can be used to help explain the types of rate open to SMEs.
29	C2 External factors Factors outside the control of the	**Introductory activity:** In small groups, students make lists of all the examples of marketing they can think of. They then choose a local enterprise and consider which	www.smallbusiness.co.uk has some useful additional information for students regarding tax. TV shows about business related to the news might be

	enterprise that can impact on costs: ● changes in costs of marketing or selling ● governmental changes – new regulations, changes in taxation	of the marketing methods they have listed would be most beneficial for it. **Main session activities:** ● The teacher explains what is meant by marketing and selling costs and how these affect the way that SMEs trade and the costs passed on to customers. ● Students research the costs of different marketing methods and use their research to complete a table on whether the costs of each method have risen, fallen or stayed the same in the past three years. ● Students discuss what they think regulations are, then state what they think is meant by the living wage and how this affects SMEs. The teacher makes a distinction between the living wage and minimum wage. ● The teacher explains that regulations will change in 2018 regarding data protection. Students discuss the impact of these on SMEs. ● In pairs, students discuss how rises in costs of raw materials or an increase in VAT might affect the enterprise and its customers. **Plenary activity:** Students write a list of all the different kinds of costs an enterprise is subject to and think about what it would mean for the enterprise if each one increased.	useful. Newspapers and articles about the budget could be helpful. Local chambers of commerce may have relevant information.
30	C2 External factors Factors outside the control of the enterprise that can impact on revenues: ● competitors ● consumer confidence in the economy – growth/recession and level of employment	**Introductory activity:** Students consider how much they would pay for their favourite product, such as a pair of trainers. They discuss whether a change in its price would make them continue buying it or whether they would buy something else instead. **Main session activities:** ● The teacher explains what is meant by revenue and how changes in the amount of revenue an SME	News programmes and articles to highlight changes in consumer tastes. The BBC website may be useful here, with articles such as 'Restaurant food sales soar as UK tastes change' (www.bbc.co.uk/news/business-37835187). TV programmes can often give information regarding changes in consumer legislation – for example, the

	● changing consumer behaviour ● changes in consumer legislation	gets can have a big impact on its cash flow. ● Students consider the impact of new competitors on revenue and the impact of a competitor changing its behaviour – for example, going into a different market to get higher revenues. ● Students carry out research into successful SMEs in the local area to find out about their competitors, pricing and location. Students consider why these SMEs are so successful. ● Teacher-led discussion on what a price war is, the impact price wars can have on businesses and how they can be avoided. ● Students consider how consumer confidence affects consumer behaviour, and how this behaviour can be a trend. They think about examples of products or services that were once popular but are now out of favour. **Plenary activity:** Students explain the difference between consumer confidence and consumer behaviour, and provide one example of each.	BBC's *Watchdog* and *Rogue Traders.* Some of these programmes may be available on BBC iPlayer or on YouTube.
31	C3 Situational analysis Using situational analysis to identify how internal and external factors might affect an enterprise SWOT (strengths, weaknesses, opportunities and threats)	**Introductory activity:** Students list as many external factors that affect an enterprise as they can think of. The teacher links this to their learning from the previous lesson. **Main session activities:** ● The teacher explains the concept of situational analysis and how it can help an enterprise gain a snapshot of the factors influencing and impacting it. ● The teacher explains what a SWOT analysis is and asks students to give examples. ● In groups, students undertake a practical SWOT analysis of two enterprises in their area and make judgements about these enterprises. They then	Large sheets of paper and pens for completing a group SWOT analysis.

		share and compare their ideas with another group. **Plenary activity:** Students recap the elements of SWOT and write out what each letter stands for. They describe why it is important for an enterprise to use this method of analysis.	
32	C3 Situational analysis Using situational analysis to identify how internal and external factors might affect an enterprise PEST (political, economic, social and technological)	**Introductory activity:** Students recall from earlier lessons the political pressures and other external factors that affect an enterprise. In groups, they compile lists of the different external factors they have learned about. The teacher brings the groups' points together to form a class mind map. **Main session activities:** ● The teacher explains the concept of a PEST analysis and invites students to give an example of each aspect. ● Students undertake a practical PEST analysis on the two SMEs they analysed using SWOT in the previous lesson. They compare and contrast how each enterprise is affected by the factors they identify. ● If there is time, students briefly list the main differences between a PEST and SWOT analysis. **Plenary activity:** Students recap all the elements of PEST and explain how this form of analysis can be used by an enterprise to improve its performance.	
33	C4 Measuring the success of an SME How far they meet business aims such as surviving, breaking even, making a profit and meeting customer needs Reasons for the success of SMEs	**Introductory activity:** Students recall definitions of an 'aim' and an 'objective', explaining the difference between them. They briefly list the main aims that all enterprises have. **Main session activities:** ● Teacher explains aims and objectives as part of recap, using a Q&A session to check learning. ● In groups, students reflect on what they have	Insolvency statistics for the area where students live can be used to give an indication of the rate of failure of enterprises and what can be done to reduce failure rates. The Gov.UK website publishes some of this information – for example, www.gov.uk/government/statistics/insolvency-statistics-april-to-june-2017

		learned so far about why enterprises fail or succeed. They consider why some businesses do well to begin with, but may fail after the first year. Teacher-led discussion on the terms 'surviving', 'breaking even', 'making a profit, and 'meeting customer needs'. ● The teacher outlines 'break-even' and 'profit making' and makes reference to future learning in Component 3. ● Students then consider the reasons why SMEs may be successful. Teacher-led discussion on the terms 'resilience', 'motivation', 'customer service/satisfaction' and 'experience'. **Plenary activity:** Students explain the difference between achieving break-even and making a profit, and explain why this difference is so important.	
34	C4 Measuring the success of an SME	**Introductory activity:** In pairs, students think about what success means. They consider how a business can measure success and then come up with three ways it can do this. **Main session activities:** ● The teacher goes through the six elements by which success is measured. For each one, students try to give local examples. ● Students research a local market for goods of their choice and try to find out the value of that market in pounds. They will need to consider all the local enterprises that make up that market. They then work out the market share that each enterprise has. ● Students consider how an entrepreneur could specifically measure customer satisfaction/reputation. In pairs, they work to produce surveys that a local enterprise of their choice could use to measure customer satisfaction.	Large sheets of paper and pens.

		● Students use their surveys to gather data about that enterprise, and share their findings with the class. This is followed by a teacher-led discussion on how easy students found this task and how useful they think the information gathered would be to the enterprise. **Plenary activity:** Students list three examples of how success can be measured, and explain how an enterprise could use this information to its advantage.	
35	Learning aim C: assessment practice	**Introductory activity:** The teacher explains how the assessment works, including timescales and requirements for the assessment material. **Main session activity:** Students take what they have learned to carry out detailed research on one enterprise and think of other examples too. **Plenary activity:** The teacher leads a check on the students' understanding of key terminology.	Assignment brief. Research materials.
36	Assessment	Students to spend lesson time and non-supervised time completing assignment. This may be a centre-devised assignment or the Pearson Authorised Assignment Brief.	Assignment brief. Research materials.

Resources

In addition to the resources listed below, publishers are likely to produce Pearson-endorsed textbooks that support this qualification. Check the Pearson website (http://qualifications.pearson.com/endorsed-resources) for more information as titles achieve endorsement.

Websites

www.barclays.co.uk *Barclays* – can be used to help explain APRs and the types of rate open to SMEs.

www.bbc.co.uk *BBC* – news programmes and articles on consumer changes.

www.thebigfig.co.uk *The Big Fig* – a useful example to consider when working on social enterprise.

www.britishchambers.org.uk *British Chambers of Commerce* – a business network with links across the world.

http://www.csscloud.co.uk *CSS Cloud Computer Services* – an IT support service enterprise.

www.fsb.org.uk *Federation of Small Businesses* – provides members with a range of business services, including a voice in government.

www.gov.uk/browse/business *Gov.UK* – a government website for small businesses and sole traders/self-employed people.

www.micromentor.org *MicroMentor* – an online community of entrepreneurs and volunteer business mentors.

www.moneysavingexpert.com *Money Saving Expert* – can be used to explain terms such as APR in business.

www.ofcom.org.uk *Ofcom* – the UK regulator for communications, including TV, radio and on-demand sectors.

www.pastafoods.com *Pasta Foods* – a useful example to consider for discussing the growth of enterprises.

http://smallbusiness.co.uk *Small Businesses* – a useful website resource giving a range of information on financing, funding and running a small business.

www.socialenterprise.org.uk *Social Enterprise* – the national body for businesses that have a social or environmental bias.

www.tripadvisor.co.uk *TripAdvisor* – an online review site where customers can post ratings comments and potential customers can read them.

www.which.co.uk *Which?* – useful summaries of legislation.

Videos

www.youtube.com/watch?v=0xjTJoLklvs – a short film from the Advertising Standards Authority.

www.youtube.com/watch?v=hG0ZXD89Bq0 – a range of UK-based advertisements.

www.youtube.com/watch?v=mhQOgLzlZfc – a focus group tasting different foods.

www.youtube.com/watch?v=XA2Eo1ggkjc – an explanation of how focus groups work from the University of Derby.

www.youtube.com/watch?v=kcSlnAOcO0E – a short introduction on lead times from TDM videos

www.youtube.com/user/YoungEnterpriseUK – the Young Enterprise UK channel, which may be a useful resource around visits to enterprises.