

Step up to Level 3 BTEC Business

Level 3 Extended Diploma in Business

Edexcel BTEC

Written and endorsed by employers



- Two-year course with good industry / employer links
- Equivalent to 3 A levels
- 13 units of study in total
- 4 of the units are exam units
- Students get to learn about business and practise the skills-set desired by current employers
- Chance to join the nationally recognised Career Ready Programme



Mandatory areas of study are:

Unit 1 Exploring Business

Unit 2 Developing a Marketing Campaign

Unit 3 Personal and Business Finance

Unit 4 Managing an Event

Unit 5 International Business

Unit 6 Principles of Management

Unit 7 Business Decision Making

Other units of study include:

- Customer Service
- Creative Promotion
- Market research
- Team building
- Pitching for a new Business
- Recruitment and Selection

Transition Activities

Task 1: Produce a one page document in word, in business report format on “The importance of effective customer service in the fast food industry”

Task 2: Create a basic business plan (using a suitable template that you find online) for a micro business idea (perhaps online) that you have in mind.

Task 3: Break-even analysis

Break-even is the point at which a business is neither making a profit or a loss i.e. when a firm's sales revenue is the same as its total costs. Watch the video clip below before you continue: <https://www.youtube.com/watch?v=aUnTVNzZwCw&t=119s>



Jagdeep and Matthew are planning to make wooden boxes to sell in school. They want to know how many they will have to sell to break even.

Information:

1. Their fixed costs will be £180
2. Their variable costs are £2 per box
3. They are going to produce 40 boxes
4. The selling price a wooden box will be £8

Activity:

1. Using the information above, complete table below. The formulas for each have been given to you in brackets.

No. sold	Sales Revenue (Formula: selling price x no. sold)	Fixed Costs (stays the same regardless of output)	Variable Costs (Formula: variable cost x no. sold)	Total Costs (Formula: Fixed costs + variable cost).	Profit/ Loss (Formula: Sales revenue – total costs)
0	£0				£(180)
10		£180			
20			£40		
30		£180		£240	
40	£320				

2. Draw break-even chart. Include: Fixed costs line, sales revenue line & a total cost line. Remember to label: the axis, each line and the break-even point. (You may want to revisit the video clip above to remind you on how to construct one).

3. How many boxes do Jagdeep and Matthew have to sell to break even? Write a sentence to explain:

4. You are their business advisor. Would you recommend that they undertake this business? You should explore reasons for and against before making a recommendation.

Task 4: Videos

Part of the finance unit requires you to understand the roles of financial institutions in the UK and how many are used. These videos need to be watched in the order they are listed and help develop good knowledge of the borrowing and spending in the economy.

1. <https://www.youtube.com/watch?v=dI0MVV5UjKc>
2. <https://www.youtube.com/watch?v=-d0-8tr6DGo>
3. <https://www.youtube.com/watch?v=7I48BA9-iu4>
4. <https://www.youtube.com/watch?v=D--q6OVHJbQ>
5. <https://www.youtube.com/watch?v=x0xzplJOyHg&t=18s>
6. <https://www.youtube.com/watch?v=bVZz5g3W5BM>

Task 5: PESTEL Analysis

As part of Unit 3 you will need to develop skills in completing a PESTEL Analysis. Read the information below and undertake research on the restaurants industry and complete a Pestel analysis using the table below.

Political Factors:

These factors are all about how and to what degree a government intervenes in the economy or a certain industry. Basically, all the influences that a government has on your business could be classified here. This can include government policy, political stability or instability, corruption, foreign trade policy, tax policy, labour law, environmental law and trade restrictions. Furthermore, the government may have a profound impact on a nation's education system, infrastructure and health regulations.

These are all factors that need to be taken into account when assessing the attractiveness of a potential market.

Economic Factors:

Economic factors are determinants of a certain economy's performance. Factors include economic growth, exchange rates, inflation rates, interest rates, disposable income of consumers and unemployment rates. These factors may have a direct or indirect long term impact on a company, since it affects the purchasing power of consumers and could possibly change demand/supply models in the economy. Consequently it also affects the way companies' price their products and services.

Social Factors:

This dimension of the general environment represents the demographic characteristics, norms, customs and values of the population within which the organization operates. This includes population trends such as the population growth rate, age distribution, income distribution, career attitudes, safety emphasis, health consciousness, lifestyle attitudes and cultural barriers. These factors are especially important for marketers when targeting certain customers. In addition, it also says something about the local workforce and its willingness to work under certain conditions.

Technological Factors:

These factors pertain to innovations in technology that may affect the operations of the industry and the market favorably or unfavorably. This refers to technology incentives, the level of innovation, automation, research and development (R&D) activity, technological change and the amount of technological awareness that a market possesses. These factors may influence decisions to enter or not enter certain industries, to launch or not launch certain products or to outsource production activities abroad. By knowing what is going on technology-wise, you may be able to prevent your company from spending a lot of money on developing a technology that would become obsolete very soon due to disruptive technological changes elsewhere.

Environmental Factors:

Environmental factors have come to the forefront only relatively recently. They have become important due to the increasing scarcity of raw materials, pollution targets and carbon footprint targets set by governments. These factors include ecological and environmental aspects such as weather, climate, environmental offsets and climate change which may especially affect industries such as tourism, farming, agriculture and insurance. Furthermore, growing awareness of the potential impacts of climate change is affecting how companies operate and the products they offer. This has led to many companies getting more and more involved in practices such as corporate social responsibility (CSR) and sustainability.

Legal Factors:

Although these factors may have some overlap with the political factors, they include more specific laws such as discrimination laws, antitrust laws, employment laws, consumer protection laws, copyright and patent laws, and health and safety laws. It is clear that companies need to know what

is and what is not legal in order to trade successfully and ethically. If an organisation trades globally this becomes especially tricky since each country has its own set of rules and regulations. In addition, you want to be aware of any potential changes in legislation and the impact it may have on your business in the future.

Activity: Complete a PESTLE Analysis for the Restaurant industry

Political	Economical	Social	Technological	Environmental	Legal	Ethical

3. Using your PESTEL analysis for the restaurant industry write up a short evaluation whether each aspect of it will be good or bad for a new restaurant to set up and how it will affect it.

4 Create your own pop up business enterprise plan. This can be in the form of a powerpoint or poster which you will share with the class with in September.

Task 6: Design your own business board game.

Design your own business-related tabletop game/ board game. This could focus on any existing business you are interested in, made up business, any industry, brand names, aspects of a business e.g., marketing, finance, human resources. As long as it has something to do with the business industry.

Task 7: Watch / listen to the following business podcasts/videos.

BBC podcasts Business World <https://www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads>

BBC News Running a Business <https://www.bbc.co.uk/news/business-16611973>

The Times 100 <https://businesscasestudies.co.uk/>

Business Aims and Objectives:

Video: <https://www.bbc.co.uk/bitesize/guides/zkhby9q>

Revise and test yourself.

Task 8. You have been asked to do the marketing for a new American style diner opening up in your area. The owners have asked you to explain the marketing mix and what that means for their business. Present to them what the 7ps are by applying them to a well know business such as Coca Cola then identify what the 7ps for the diner should be. Fully explain why you think each p should be what you are suggesting. Finally, conclude for the owners why the marketing mix is so important.

Gold star challenge task:

Provide a Gantt chart showing the timescale for the diner's marketing activities

Task 9: Real world task

Research the financial implications for a business such as a restaurant of Covid-19. Then present your findings including discussion of the impact on staffing, cash flow and profit. Include discussion of any financial support they could access during that time.

Task 10: EVENT MANAGEMENT Tasks that relate to the unit 'Managing an Event'

Event management involves working with clients to plan and deliver high quality events in a number of settings. Events might include weddings, birthday parties, sports tournaments, etc but in a business context, will include events such as team-building exercises, conferences, product launches, etc. However, the events industry has been seriously affected by the coronavirus pandemic. Read the following article and answer the questions that follow:

For full article, navigate to:

<https://www.businessleader.co.uk/what-does-the-future-hold-for-the-events-industry/85929/>

WHAT DOES THE FUTURE HOLD FOR THE EVENTS INDUSTRY?

May 11, 2020 at 10:35 am



With the global economy taking a huge hit due to the pandemic, there are few industries that have been more affected than events. With small and large-scale events being cancelled around the world, this has had a chain effect on everyone involved in the sector, from venues, to vendors, event planners etc., as well as on countless other sectors that rely on events for growth.

GOVERNMENT ASSISTANCE

In the UK, the events sector is an important part of the economy, worth £14 billion, includes 25,000 businesses and supports more than 500,000 employees. The initial government restrictions put a huge strain on the industry, however, since then, the government has released a series of measures to assist freelancers, businesses, and employees, following an online petition that gained over 150,000 signatures.

One of the most significant measures has been the job retention scheme, and since April, around a fifth of the workforce has been put on furlough. While the scheme has been key in preventing a wave on redundancies, the chancellor is currently working on gradually phasing it out as restrictions lift.

However, the government will need to work out ways to offer more support to industries such as events, which are unlikely to start recovering yet.

ADAPTABLE INDUSTRY

Despite the current challenges, we need to remember the worth of the events industry, whose role is a crucial supporting one for all other sectors. Events offer great value to the economy and thus will inevitably recover eventually but the next few months to a year will determine what the future of the sector will look like. One thing is clear – changes will have to be made.

For now, events of all sizes have been cancelled, with the majority of them postponed for Q3-Q4 of this year, or for next year. However, the situation is still very much uncertain.

Firstly, there's the possibility of a second wave of the virus, which would inevitably wreak havoc on the industry. In that case, government support will continue to be of crucial importance. Secondly, even in the happy case of limited restrictions and the possibility of hosting an event, will people be willing to attend or will they be afraid?

OVERCOMING CHALLENGES

To overcome these and any other such challenges, the industry will have to approach planning differently and set robust policies to reduce the negative impact of potential cancellations, as well as uncertainty and misunderstandings. This will have to be done across the sector, to cover venues, organisers, vendors, as well as participants.

Of course, health and safety measures will become a higher priority than ever before, if we are to reassure the public and plan safe events that people will want to attend.

VIRTUAL EVENTS

In the meantime, technology is proving to be an invaluable tool, not only for the economy in general but for the events industry as well. Virtual events were always going to be a growing trend this year, though nobody expected it to happen this way. With the fast progress of technology, virtual events will become more and more immersive.

During this period, we have already seen countless companies using video calling and conference calling tools for internal as well as external meetings. However, we've also seen plenty of use cases for other industries such as music or art performances, proving that virtual events can deliver value in many ways.

Task - answer the following questions:

1. What measures has the Government taken to assist the events industry during the pandemic?
2. What challenges do event planners face following the pandemic?
3. How is the industry responding to these challenges?



GOLD STAR CHALLENGE

You're interested in a career in events planning and are completing your work experience at an event management business **Madina Events**. Your manager plays you a voicemail message from a potential customer and has asked you to call them back and gather relevant information so that she can prepare a quote for their event. She suggests that you jot down some questions before you call the customer.

- a) Make a list of at least ten key questions you need to ask the customer.
- b) You decide to impress your manager by designing an **event proposal form** to record all relevant information. Open a Word document and design your own event proposal form using the "Insert table" function. You might include the questions you drew up in (a) above. *If you're stuck for ideas, have a look online where there are lots of templates you could adapt.*

Task 11: CASH FLOW QUESTIONS

1. A friend wants to buy a new phone by the end of August for £720. You've suggested that he should prepare a simple cash flow forecast to see if he can afford it and that you'll help.

He tells you that on June 1st he had £11.42 in his bank account and no spare cash. His part-time job pays £10.75 per hour and his planned hours are: June (36 hours), July (42), August (35). It's his birthday on July 23rd and family members have

promised to gift him £120. He plans to sell his old mobile phone in August and expects to get £150 for it.

His regular outgoings are:

- Weekly bus pass £21.20 (assume 4 weeks per month)
- Food and subsistence: £2.50 per day
- Phone contract: £35.00 per month
- New clothes for his birthday night out £150
- His sister's birthday is in August and he will spend £50 on her present

Activity: Complete the following cash flow forecast and answer the questions below:

CASH FLOW FORECAST	June	July	August
	£	£	£
<u>Cash in:</u>			
Wages	387.00		
Birthday money			
Sale of old phone			
Total cash in (a)	387.00		
<u>Cash out:</u>			
Bus pass	84.80		
Food/subsistence	75.00		
Phone contract	35.00		
New clothes			
Sister's birthday			
Total cash out (b)	194.80		
NET CASH FLOW (a-b)	192.20		
Opening cash balance	11.42	203.62	
Closing cash balance	203.62		

- Based on the data, will your friend have enough to buy the phone at the end of August?
- If not, make three suggestions as to what he might do?

Now, consider why cash flow forecasting is a critical tool in **business**. Watch the following video:

<https://www.youtube.com/watch?v=dLHZy4DWKRM>

- C. Suggest four reasons why a business might produce a cash flow forecast.
- D. List five cash inflows and five cash outflows that a business might receive/pay.



GOLD STAR CHALLENGE

Glencoe Mountain Resort

Click on the link below (or copy and paste it into your browser) and watch the video.

<https://www.bbc.co.uk/bitesize/guides/z4njhbk/revision/2>

Task: Answer the following questions based on the video.

1. Give a brief definition of the term cash flow.
2. If more money is going out of a business than is coming in, what might happen to the business?
3. Why did Glencoe Mountain Resort run into serious problems with its cash flow?

Essay-type question*

4. Glencoe Mountain Resort's business model wasn't sustainable.
 - a. **Identify** and **discuss** the four actions they took to fix their cash flow problems.
 - b. By preparing a cash flow statement, what has this enabled the business to do?

* *your essay should contain a minimum of 7 paragraphs*

- *an introduction paragraph*
- *a paragraph for each of the four "actions" you identify in 4a*
- *a paragraph in answering 4b*
- *a conclusion paragraph*