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| Content coverage | Learning outcomes | NOTES/ QUESTIONS/ FORMULA / ADVANATAGES /DISADVANATAGES BUSINESS: THEME 2 |
| Topic 2.1 Growing the business |
| 2.1.1 Business growth

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 | Methods of business growth and their impact:* internal (organic) growth: new products (innovation, research and development), new markets (through changing the marketing mix or taking advantage of technology and/or expanding overseas)
* external (inorganic) growth: merger, takeover.

The types of business ownership for growing businesses:* public limited company (plc).
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| 2.1.1 Business growth

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 | 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

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 | 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.
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| 2.1.3 Business and globalisation

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 | 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.
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| 2.1.4 Ethics, the environment and business

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 | 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.
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| Topic 2.2 Making marketing decisions |
| 2.2.1 Product

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 | 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

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 | Price:* pricing strategies
* Influences on pricing strategies: technology, competition, market segments, product life cycle.
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| 2.2.3 Promotion

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 | 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.
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| 2.2.4 Place

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 | Place:* methods of distribution: retailers and e-tailers (e-commerce).
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| 2.2.5 Using the marketing mix to make business decisions

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 | How each element of the marketing mix can influence other elements.Using the marketing mix to build competitive advantage.How an integrated marketing mix can influence competitive advantage. |  |
| Topic 2.3 Making operational decisions |
| 2.3.1 Business operations

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 | 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 processes: keeping productivity up and costs down and allowing for competitive prices.
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| 2.3.1 Business operations

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 | Impacts of technology on production:* balancing cost, productivity, quality and flexibility.
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| 2.3.2 Working with suppliers

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 | 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.
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| 2.3.3 Managing quality

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 | 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.
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| 2.3.4 The sales process

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 | 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. |  |
| Topic 2.4 Making financial decisions |
| 2.4.1 Business calculations

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 | The concept and calculation of:* gross profit
* net profit.
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| 2.4.1 Business calculations

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 | Calculation and interpretation of:* gross profit margin
* net profit margin
* average rate of return.
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| 2.4.2 Understanding business performance

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 | 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.
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| 2.4.2 Understanding business performance

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 | The use and limitations of financial information in:* understanding business performance
* making business decisions.
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| Topic 2.5 Making human resource decisions |
| 2.5.1 Organisational structures

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 | 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.
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| 2.5.1 Organisational structures

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 | Different ways of working:* part-time, full-time and flexible hours
* permanent, temporary, and freelance contracts
* the impact of technology on ways of working: efficiency, remote working.
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| 2.5.2 Effective recruitment

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 | Different job roles and responsibilities:* key job roles and their responsibilities: directors, senior managers, supervisors/team leaders, operational and support staff.
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| 2.5.2 Effective recruitment

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 | 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).
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| 2.5.3 Effective training and development

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 | 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.
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| 2.5.4 Motivation

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 | The importance of motivation in the workplace:* attracting employees, retaining employees, productivity.
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| 2.5.4 Motivation

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 | How businesses motivate employees:* financial methods: remuneration, bonus, commission, promotion, fringe benefits
* non-financial methods: job rotation, job enrichment, autonomy.
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