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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   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | 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). |  |
| 2.1.1 Business growth   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | 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). |  |
| 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. |  |
| Topic 2.2 Making marketing decisions | | |
| 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   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Price:   * pricing strategies * Influences on pricing strategies: technology, competition, market segments, product life cycle. |  |
| 2.2.3 Promotion   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | 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   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | 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.  How an integrated marketing mix can influence competitive advantage. |  |
| Topic 2.3 Making operational decisions | | |
| 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 processes: keeping productivity up and costs down and allowing for competitive prices. |  |
| 2.3.1 Business operations   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | 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. |  |
| Topic 2.4 Making financial decisions | | |
| 2.4.1 Business calculations   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The concept and calculation of:   * gross profit * net profit. |  |
| 2.4.1 Business calculations   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | 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. |  |
| 2.4.2 Understanding business performance   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The use and limitations of financial information in:   * understanding business performance * making business decisions. |  |
| Topic 2.5 Making human resource decisions | | |
| 2.5.1 Organisational structures   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | 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. |  |
| 2.5.1 Organisational structures   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | 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. |  |
| 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. |  |
| 2.5.2 Effective recruitment   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | 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. |  |
| 2.5.4 Motivation   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | How businesses motivate employees:   * financial methods: remuneration, bonus, commission, promotion, fringe benefits * non-financial methods: job rotation, job enrichment, autonomy. |  |