BTEC LEVEL 3 DIPLOMA 2010 – 2011

ASSIGNMENT TITLE: Have you got what it takes to set up your own business ?

Unit 37: Starting a Small Business

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Date set: (Delivery)	**4th January 2011**	**Final Completion Date:**	**April 2011**
Interim (Unit Deadlines)	**P1 19/12/10 P2 14/01/11 P3 19/02/11** **P4 14/03/11 P5 28/03/11 P6 14/04/11** **M1 00/00/00 M2 00/00/00 D1 00/00/00** **D2 00/00/00**		
GLH	**Unit 37: 60**	**Credits Achieved**	**10**

Unit Introduction:

Starting a small business is a learning curve for many people. Their business ideas could be anything from a coffee shop, courier service, a hairdressers, motor vehicle repair workshop, a DJ service, a painting and decorating business or a small holding. However starting a small business can be fraught with difficulties and the idea may not always be successfully realised. Those setting out on this venture needs to consider the business idea, where the funding will come from, the potential market, the competition and a host of other issues that must be addressed if the business start up is to be successful. Learners will also develop their knowledge and understanding of the legal status and trading terms and conditions of their proposed business, legal aspects such as fire regulations, taxation, VAT, and HM Revenue & Customs and financial aspects such as start up and operational costs as well as personal needs.
Learners will have the opportunity to devise an outline proposal for a business start up and will cover the reasons for preparing a business proposal and will include the components expected by financial advisors, including the type of business, its target market, available resources, financial information and forward planning.

Unit Content:

1. **Be able to present the initial business idea using relevant criteria**
   Type: new or existing business, franchise, aims, business planning, USP, demand for new business, competitive edge, balancing personal / business needs, checking profitability, business trends, external influences e.g. commercial, political, local, national, international: self-esteem e.g. work for self, independence, power, achievement, Identifying target markets e.g. market research, published research, sales forecasts, customers' actions and choices, effect on business, competition, strengths and weaknesses, market trends,

environmental issues,

2. **Understand the skills and personal development needed to run the business successfully**
   Skills: own contribution: technical / operational – relating to products / services, management, recording and checking performance of the business, personal selling, administration, previous experience, strengths and weaknesses
   Development: identifying skills gaps / shortages: professional help; training; planning; cost implications; accessibility; timescales.

3. **Know the legal and financial aspects that will affect the start up of the business**
   Legal aspects: legal status e.g. sole trader, partnership, limited company, co-operative, legal liabilities, trading terms and conditions; trading standards; licenses; record keeping; resolving problems; national and local laws; regulations and bye laws; health and safety; fire regulations; licensing; liabilities; planning permission; contracts; duties and responsibilities; regular bodies sources of advice
   Financial aspects: personal survival budget; cost of premises; equipment and supplies; running costs; employing staff; pricing policy; break even; cashflow forecasting; profit and loss budgets / accounts; sources of finance e.g. grants, loans, borrowing, sponsorship; record keeping

4. **Be able to produce an outline business start up proposal**
   Business proposal: models, reviewing information and ideas; setting targets and goals; purpose of plan; components 9type of business market, human / physical/ financial resources, financial and profit forecasts, growth and development, contingencies

Scenario:

The assignment for this unit requires you to prepare and present a business plan for a new business of your choice.

TASKS:

Be able to present the initial business idea using relevant criteria that we have discussed and describe how to identify the target market for your new business idea. You will need to identify a potential business venture for self employment. Brain storm ideas and share them with your colleagues • The assignment for this unit requires you to prepare and present a business plan for a new business of your choice. • Present the initial business ideas using the relevant criteria and describe how to identify the target market for your new business idea. You will need to identify a new business venture for self employment. The best way to do this is brain storm some ideas with your colleagues **REPORT**	P1
Now prepare a presentation to be delivered to the class covering: • A description of your idea defining your objectives • A justification of your plan using the criteria discussed so far in this unit • The steps that you will take to identify your target market by writing a research brief, a market research proposal • You should also plan your use of primary and secondary research methods and identify an appropriate sampling technique for your research. **PRESENTATION**	P2
You can achieve this criteria by completing a detailed skills audit. Be honest	P3

when performing this activity. Describe the skills that you will need to run your chosen business successfully and what skills areas will need require further development. You will not be required to perform the action plan that you draw up for filling the skills gaps, but you will be graded on how realistic you are in your analysis. **SKILLS AUDIT**	
Having considered the legal and financial aspects in detail select those that are relevant to your business and describe them. Describe the implications of your choice of legal status and all laws and regulations that will affect your business. You should also show your awareness of the necessity for a personal survival budget, the sources of finance that will be available to you, the potential cost of equipment, supplies and employing staff. You do not need to produce financial documents , simply describe them and say how they are used, this would include financial statements such as pricing policy, break even, cash-flow forecast and profit and loss accounts and balance sheets. **REPORT**	P4
Produce a written outline proposal of the approved business model. This is basically a completed business plan which you can create using a commercial business plan template available form most banks. You will also be required to present this to a commercial lender, investor or bank manger who may provide funding for your venture. You will need to present your proposals in the form of a short presentation. **OUTLINE PROPOSAL**	P5
Explain and justify the methods that you have chosen to use to identify the target market for the proposed business. By completing the market research process in P1 & P2 you will have collected the data for your business idea and analysed and evaluated it. You will then write notes explaining and justifying each of the methods that you have used. Justifying means giving reasons to support your use of the techniques or exactly why each technique was appropriate to your research objectives. You might like to consider using Google docs to support this activity.	M1
Analyse the skills development needed to run the your selected business successfully. Look at each skill or ability you lack and for each explain in detail • Why its necessary to the success of your chosen business • Justify the time scales you have set for addressing this skills need • How the action plan you have drawn up will address this gap • How gaining this skill will improve the performance of your business • How you would check that the skills gap has been successfully filled	M2
Revisit the legal and financial aspects you described in P4 and assess the impact that each of them will have on your business idea. To do this describe the systems that will need to be in place to ensure that each financial and legal requirement is met. i.e. what is the recording system to ensure that your tax and VAT liabilities are met ?	M3
Draw all your evidence together into a comprehensive business plan proposal that addresses all relevant aspects of your business start up. Use the checklist at the rear of this assignment to check that all the areas listed are covered. Include the previous MERIT criteria. You should present all this evidence in a professional and fluent proposal. After seeking advice and guidance you should include these improvements and revisions to your plan before presenting your final version	D1

Assessment Matrix Unit 37
Presentations Reports, Business Plan, Evaluations
REQUIRED EVIDENCE:

Checklist:	Student tick:
P1 Presenting the initial business idea using relevant criteria	
P2 Explain how to identify the target market	
P3 Describe the skills required to run the business successfully and what areas require further personal development	
P4 Describe the legal and financial aspects that will affect the start up of the business	
P5 Produce a written outline proposal containing the essential information for the approved start up business model	
M1 Explain and justify methods used to identify the target market for the proposal business	
M2 Analyse the personal development and skills needed to run the business successfully	
M3 Asses the implications of the legal and financial aspects that will effect the start up of the business	
D1 Present a comprehensive business proposal that addresses all relevant aspects of business start ups	

GUIDANCE FOR LEARNER

Essential resources

This unit requires learners to undertake research. To enable research skills to be effectively developed they should be introduced to as many information sources as possible, e.g. libraries and other research facilities including the internet, national newspapers, local banks, start-up business training agencies.

Learners will also benefit from case study materials, that focus on specific aspects of developing small business ideas. Most clearing banks offer small business packs which could serve as useful teaching and learning resources.

Additionally, Business Links and Chambers of Commerce can provide additional information to complement learning activities.

www.businesslink.gov.uk
www.britishchambers.org.uk
www.docstoc.com/docs/2612256/The-Peter-Jones-Business-Plan-Template
www.business.hsbc.co.uk
www.princesstrust.org
www.warwick.ac.uk/wie/cei
www.vocational learning.org.uk
www.nebpn.org

Indicative reading for learners - Textbooks

Materials that illustrate the level of learning required and that are particularly relevant.

Barrow C and Barrow P – *The Business Plan Workbook, Third Edition* (Kogan Page, 1998) ISBN 0749426969
Barrow C – Financial Management for Small Business (Kogan Page, 1998) ISBN 0749426454
Deakins D – Entrepreneurships and Small Firms (Mc Graw Hill Publishing Co, 1995) ISBN 0077094522
Golzen G – *Working for Yourself, 18th Edition* (Kogan Page, 1998) ISBN 0749426772
Vass J – *The Which? Guide to Starting Your Own Business* (Which? Books, 1999) ISBN 0852027699
Williams S – *Lloyds TSB Small Business Guide 2000, 13th Edition* (Penguin Books, 2000) ISBN 0140286934
Wisdom J – Checklists and Operating Forms for Small Businesses (John Wiley and Sons 1997) ISBN 0471138401
Wolinski J – AQA AS Business Studies: Unit 1: Planning and Financing a Business (Student Unit

Guides) Paperback