Enterprise and Marketing

NOVEMBER 27

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Felpham Community College
Achievement · Care · Equality

RO67 – Enterprise and Marketing

There are three units of assessment. Students must complete all three units of assessment to achieve the qualification

R067 Externally assessed written exam 1 hour 15 minutes. Worth 70 marks

"If you're not stubborn, you'll give up on experiments too soon. And if you're not flexible, you'll pound your head against the wall and you won't see a different solution to a problem you're trying to solve." -- *Jeff Bezos*

Cambridge National in Enterprise and Marketing	BT (2
Unit R067 Enterprise and marketing concepts OCR-set and marked 70 marks 1 hour 15 minutes 48 GLH	Co

Topic Area 1: Characteristics, risk and reward for enterprise	1.1	Characteristics of successful entrepreneurs	
	1.2	Potential rewards for risk taking	
	1.3	Potential drawbacks for risk taking	
Topic Area 2: Market research to target a specific customer	2.1	The purpose of market research	
	2.2	Primary market research methods	
	2.3	Secondary market research sources	
	2.4	Types of data	
	2.5	Types of market segmentation	
	2.6	The benefits of market segmentation to a business	
Topic Area 3: What makes a product financially viable	3.1	Cost of producing the product	
	3.2	Revenue generated by sales of the product	
	3.3	Profit/loss	
	3.4	How to use the formula for break-even as an aid to decision making	
	3.5	Importance of cash	

Topic Area 4: Creating a marketing mix to support a product	4.1	The marketing mix elements for a good/service	
	4.2	How the elements of the marketing mix work together	
	4.3	Types of advertising medium used to attract and retain customers and the appropriateness of each	
	4.4	Sales promotion techniques used to attract and retain customers and the appropriateness of each	
	4.5	Public relations	
	4.6	How to sell the good/service to the consumer	
	4.7	The product lifecycle	
	4.8	Extension strategies for products in the product lifecycle and the appropriateness of each	
	4.9	Factors to consider when pricing a product to attract and retain customers	
	4.10	Types of pricing strategies and the appropriateness of each	

Topic Area 5: Factors to consider when starting up and running an enterprise	5.1	Appropriate forms of ownership for business start-ups	
	5.2	Source(s) of capital for business start-ups and expansion	
	5.3	Support for enterprise	

We are going to look at the different *financial documents* used in completing financial transactions.

•The purpose of financial documents is to ensure that the business, the customers and its suppliers have an accurate record of all trading that has taken place.

Businesses keep records so that:

Ø Managers and owners are able to calculate revenues, costs and profit/loss.

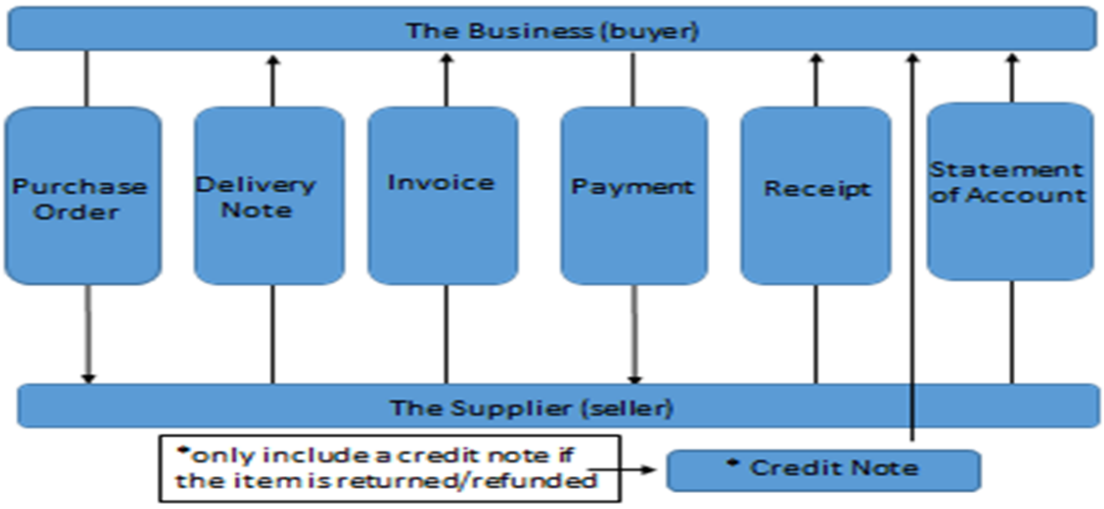
Ø They have a record of all customers and suppliers for the future business and marketing.

Ø Faulty goods can be tracked, mistakes put right or refunds sent to customers.

Test your knowledge –

What's the difference between revenue and profit?

There are seven main financial documents; from left to right, this is the order they occur in ……..



Think of a purchase order as a shopping list. It simply lists what a customer wants to order, how much the item is and how many items they want. A purchase order is completed by the customer (purchaser) and then sent to the Business they wish to buy from (seller).

Task 1

Have a look at the purchase order on the next page. You work for Hathershaw Electrical Suppliers and are going to order some stationery from Oldham Office Supplies. You wish to buy the following:

10 boxes of A4 lined paper at £2.99 per box (Ref No 17782)

5 boxes of black pens at £7.99 per box (Ref No 18572)

2 computer desks at £89.99 each (Ref No 58275)

Complete the purchase order:

Purchase Order

Hathershaw Electrical Suppliers
Bellfield Avenue
OLDHAM
OL8 3EP

0161 909 8181
spark@hathershaw.co.uk

To: Order No:

Date:

Ref No	Quantity	Description	Unit Price	Total Price

Sub total	
VAT	
TOTAL	

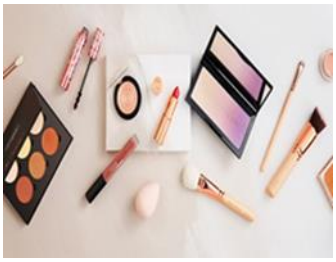
Signed: _____

We decide TARGET MARKETS using something called….
DEMOGRAPHICS (a particular sector of a population).
Demographics can be identified using the following:

- **Age**
- **Gender**
- **Race**
- **Religion**
- **Ethnicity**
- **Income**
- **Educational Level**

Task 2:

Using your list make judgements about the target market of the following products. Please decide on a target market using all bullet points (be careful though, some of them might not be particularly relevant but they need to be considered).



Geographic Segmentation:
Population can also be segmented geographically.
For example a small local business in Bognor would have a target market of people in Bognor.

Task 3:
Let's look at a large Shopping Centre.
Why would a business choose to set up at a shopping centre?
List any factors that would be positive for a new business.

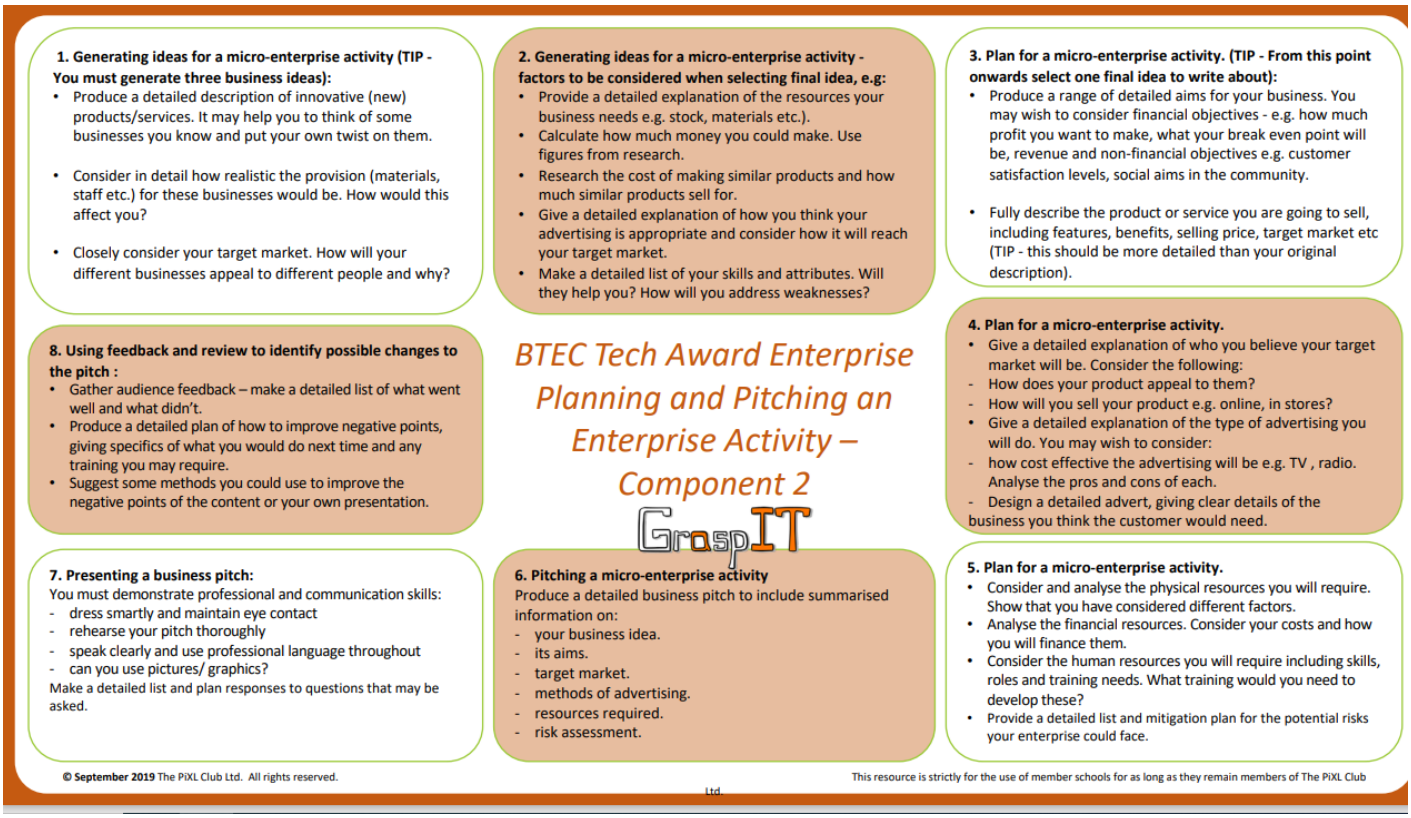
Factors influencing the choice of promotional methods

Task 4:
Answer the questions below:
How would the following factors influence your choice of promotional method?
- **Budgetary constraints (how much the business wants to spend)**
- **Size of the enterprise (business).**
- **Appropriateness for the product (which promotional method is most suitable?)**
- **Who is the target market?**
- **How each method will impact sales?**

Tip: You are likely to be asked to justify your choice of promotional method for the given scenario. Remember to give several reasons for your choice of promotional method, explaining how each has impacted your decision.

Task 5:

Make revision notes by looking at these knowledge organisers:



1. Generating ideas for a micro-enterprise activity (TIP - You must generate three business ideas):

- Produce a detailed description of innovative (new) products/services. It may help you to think of some businesses you know and put your own twist on them.
- Consider in detail how realistic the provision (materials, staff etc.) for these businesses would be. How would this affect you?
- Closely consider your target market. How will your different businesses appeal to different people and why?

2. Generating ideas for a micro-enterprise activity - factors to be considered when selecting final idea, e.g:

- Provide a detailed explanation of the resources your business needs e.g. stock, materials etc.).
- Calculate how much money you could make. Use figures from research.
- Research the cost of making similar products and how much similar products sell for.
- Give a detailed explanation of how you think your advertising is appropriate and consider how it will reach your target market.
- Make a detailed list of your skills and attributes. Will they help you? How will you address weaknesses?

3. Plan for a micro-enterprise activity. (TIP - From this point onwards select one final idea to write about):

- Produce a range of detailed aims for your business. You may wish to consider financial objectives - e.g. how much profit you want to make, what your break even point will be, revenue and non-financial objectives e.g. customer satisfaction levels, social aims in the community.
- Fully describe the product or service you are going to sell, including features, benefits, selling price, target market etc (TIP - this should be more detailed than your original description).

8. Using feedback and review to identify possible changes to the pitch :

- Gather audience feedback – make a detailed list of what went well and what didn't.
- Produce a detailed plan of how to improve negative points, giving specifics of what you would do next time and any training you may require.
- Suggest some methods you could use to improve the negative points of the content or your own presentation.

BTEC Tech Award Enterprise Planning and Pitching an Enterprise Activity – Component 2

GraspIT

4. Plan for a micro-enterprise activity.

- Give a detailed explanation of who you believe your target market will be. Consider the following:
  - How does your product appeal to them?
  - How will you sell your product e.g. online, in stores?
- Give a detailed explanation of the type of advertising you will do. You may wish to consider:
  - how cost effective the advertising will be e.g. TV , radio. Analyse the pros and cons of each.
  - Design a detailed advert, giving clear details of the business you think the customer would need.

7. Presenting a business pitch:

You must demonstrate professional and communication skills:

- dress smartly and maintain eye contact
- rehearse your pitch thoroughly
- speak clearly and use professional language throughout
- can you use pictures/ graphics?

Make a detailed list and plan responses to questions that may be asked.

6. Pitching a micro-enterprise activity

Produce a detailed business pitch to include summarised information on:

- your business idea.
- its aims.
- target market.
- methods of advertising.
- resources required.
- risk assessment.

5. Plan for a micro-enterprise activity.

- Consider and analyse the physical resources you will require. Show that you have considered different factors.
- Analyse the financial resources. Consider your costs and how you will finance them.
- Consider the human resources you will require including skills, roles and training needs. What training would you need to develop these?
- Provide a detailed list and mitigation plan for the potential risks your enterprise could face.

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