

Component Two
Assignment 1

BTEC Level 2 Tech Award in Enterprise

Planning for and Pitching an Enterprise Activity

KNOWLEDGE BOOKLET

LEARNING AIM A: Explore ideas and plan for a micro-enterprise activity



NAME:

Component 2: Planning for and Pitching an Enterprise Activity

Component in brief

Learners will individually select an idea for a micro-enterprise activity to plan and pitch. They will individually pitch their business plan for their idea to an audience and then use the feedback to review their plan and pitch.

Introduction

If you are going to succeed as an entrepreneur or as an innovator in business, you need to have great ideas and plan how you are going to put them into practice. Any enterprise needs to plan how it will succeed through working out how it can harness physical, financial and human resources – which means the skills that you and others bring. An entrepreneur will also have to pitch their ideas to an audience in order to secure funding.

In this Project, you will use the research knowledge gained from Year 9 to consider a number of ideas before developing a plan for a realistic micro-enterprise activity. You will have the opportunity to plan how best to set up the chosen enterprise and how to fund it. You will need to take responsibility for creating and then delivering a pitch for your developed idea to an audience using your knowledge of business, and demonstrating entrepreneurial characteristics, qualities and skills. In the final part of the component you will use feedback to review your plan and pitch for the micro-enterprise activity, reflecting on your plan, your pitch and the skills you demonstrated when pitching. Developing your planning and research, presentation, communication and self-reflection skills will help you to progress to Level 2 or Level 3 vocational and academic qualifications.

Assignment title Planning a Micro-Enterprise Activity

Scenario

One way of exploring how enterprise works is to plan your own micro-enterprise activity. You have seen a competition advertised that involves planning and pitching a micro-enterprise activity and have decided to take part.

The first stage of the competition requires you to develop a plan for a realistic micro-enterprise activity. You will later pitch your idea to potential investors and carry out a review on its success.

Task 1 Planning a micro-enterprise activity

You have obtained a copy of the competition rules, and it informs you that you need to prepare a comprehensive and realistic plan for a micro-enterprise activity, supported by clear individual research and valid reasons for your choices.

Research

This should include:

- individual research into three possible ideas for micro- enterprise activities to allow you to choose one final idea.

Introduction to the plan This should include:

- A detailed description of your three potential ideas for micro- enterprise activities based on your market research
- A detailed explanation of why you have chosen your final idea, supported by your individual research findings

Learning aim A: Explore ideas and plan for a micro-enterprise activity

In this learning aim you will develop their knowledge and understanding of the skills required to plan for a micro-enterprise activity.

THEORY

A1 Generating ideas for a micro-enterprise activity

Learners will use their experience from exploring enterprises to independently generate ideas and choose one idea for a realistic micro-enterprise.

- **Ideas could involve:**

- o **Innovation of products/services**

What is innovation?

Fundamentally, innovation means introducing something new into your business. This could be: improving or replacing business processes to increase efficiency and productivity, or to enable the business to extend the range or quality of existing products and/or services.

Smart Light Bulbs - The Future of Lighting

Philips Lumileds

When you go to the lighting shop looking for a simple light bulb, you're faced with a wide range of choices. First the type: incandescent, compact fluorescent, halogen, or LED? Then the hue: bright white, soft white, or cool white? Finally, power—the bulb energy efficiency—how much will it cost over time? These choices are limited by your choice of bulbs, and there are a lot of choices. In the past, if you got it wrong or you changed your mind later, your only recourse was to change the bulb.



Not anymore. Philips Lumileds has just introduced Hue, a web-enabled home lighting system that lets you control the colour and brightness of your lighting from a mobile phone or tablet using Philips Hue smart light bulbs. The Hue lets you control the intensity and colour spectrum of your lights from your iPhone®, iPad®, or Android™ smartphone or tablet simply by downloading an app. The Starter Kit itself includes a wireless router and three RF-enabled bulbs with

individual IP addresses, which is a bit more complex than your hardware store would want to handle.

Why are these products innovative?

What is the benefit of an innovative product or service?

What might happen if this enterprise did not continue to be innovative?

Provision of goods and services in a new context

Entrepreneurs can also take existing ideas and change the context in which it is sold, so they sell it in a different way.

Why do you think a new way of using or viewing a product could be successful? _____

Firm which serves roast dinners in giant Yorkshire puddings opening new street stall in Bath

A street food stall which sells roast dinners inside a giant Yorkshire pudding is opening in Bath. ROAST will offer the nation's favourite Sunday meal seven days a week - and will also put it in a wrap for those who want to eat on the go.



It is the brainchild of Alice Noad who making her first venture into the food business by opening in a permanent pitch on James Street West. She said: "Yorkshire born and bred, with a passion for food, there was no other option for my adventure into street food (aside from my husband's love of the roast dinner).

How is this business providing goods in a new context?

Do you think their idea will work?

Provision of products/services in new markets

Businesses can also sell or develop existing products in new markets in order to increase market share.

How have these businesses introduced existing products in to new markets?



How many different ideas can you think of for an enterprise?

What do your ideas involve? I.e. innovation, goods/services in new markets?

• **Factors to be considered when selecting final idea, e.g.:**

THEORY

o resources available

- Human resources - you will need to consider the human resources you have available to you, is your idea suitable to carry out by yourself or will you need a team of people to support you?
- Financial Resources- What are the costs of the idea, do you have the finance available to you ? How will you finance it?
- Physical Resources- What equipment will you need? Do you have access to this and if not where can you get this from and will there be a cost involved?

o financial forecasts

Financial forecasts estimate future income and expenses for a business over a period of time, you need to consider Will there be sufficient cash to cover your expenses and will you be able to make a profit?

o costing and pricing

What will it cost to set up the business? You need to consider the costs involved not just to set up your business but also to purchase your stock or materials needed to supply your product or service

o methods of communication and promotion • How will the enterprise be launched?

- How will the enterprise be promoted so that customers are aware of its existence?
- What will be the core message of the enterprise?

o potential customers.

- Who is the target market?

How can I research these factors?

- Ask friends or family/ conduct a questionnaire
- Research similar businesses in the area
- Research the cost of making your product /selling your service

Business Idea 1

A.1P1 Identify three potential ideas for micro-enterprise activities, using market research.

A.2P1 Describe three potential ideas for micro-enterprise activities obtained using market research.

How will this work?

A.1M1 Outline three potential ideas for micro-enterprise activities, using market research.

Market Research

Pros:

Cons:

Business Idea 2

A.1P1 Identify three potential ideas for micro-enterprise activities, using market research.

A.2P1 Describe three potential ideas for micro-enterprise activities obtained using market research.

How will this work?

A.1M1 Outline three potential ideas for micro-enterprise activities, using market research.

Market Research

Pros:

Cons:

Business Idea 3

A.1P1 Identify three potential ideas for micro-enterprise activities, using market research.

A.2P1 Describe three potential ideas for micro-enterprise activities obtained using market research.

How will this work?

A.1M1 Outline three potential ideas for micro-enterprise activities, using market research.

Market Research

Pros:

Cons:

Model Answer

3. Cookies

When asking friends and family for their opinions for business ideas many of them said that food and particularly 'treats' are always popular when you go to events/sales. I was aware from a school enterprise project that there was not a huge margin to be made in selling of sweet bags/cones when you balance the time commitment. I then considered cakes but felt these have a high cost as butter for buttercream is currently quite expensive to purchase, also when I have visited the primary school sale before I remembered that there were other cake traders, plus there is more scope for cakes to go wrong if they don't rise and they are more tricky to transport and keep looking nice so I decided if I was going to do a food item cookies would be best. I would make large cookies (size of a saucer) with large eye catching fillings such as smarties or giant buttons.

Market research: This was the most popular idea with a majority of the 18 asked saying they would look to buy food items and the average score of likelihood to purchase was a 2 so this suggests it is likely people would make the purchase of cookies. When asking for the average price people would be prepared to pay a number of responses mentioned they would expect deals e.g. 5 for £4 or that they would only be prepared to pay more than a £1 if they were big and looked of good quality.

Pros: Most popular with market research Other food and cake stalls did sell some flapjacks/biscuits but there was no other novelty cookie seller 16 Baking tools needed to make cookies are more limited than other items and the basics aren't that expensive e.g baking sheet, grease proof paper Likely to be popular with a wide range of customers throughout the selling time available between 6am-11am

Cons: Baking can be time consuming to bake in quantities that will generate a good income and enough for 5 hours of trading There may be too many or too little cookies for the first sale whilst demand is established, and any leftover would be waste Not every cookie made may be sellable so there is an element of wastage No previous experience of making cookies or understanding of this market Food allergies, labelling laws and hygiene certificates are likely to be barriers to the success of the business An increase of awareness of healthy eating and good habits so are people going to want to buy sugary treats for themselves/children – especially as quite a few of the customers who come through the sale are attending the parkrun. Competition from other sellers who sell sweet treats and many who do this professionally To maintain freshness, you need to bake frequently and always the night before the event so this can become a burden

