

National Occupational Standards

Understanding Enterprise



UNDERSTANDING ENTERPRISE STANDARDS

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UE1 Choosing your business enterprise

Summary

Why is this important?

When deciding what type of business to set up in the future it is important to consider what business will best suit you. This will depend on your own skills, talents and attributes, what you enjoy and what you would like to get out of a business in the long term. It is equally important to reflect and learn from other entrepreneurs' challenges and success and discover how they have achieved their goals.

Who might do this?

You might do this if you want to:

- develop the abilities that will help if you set up a business in the future;
- understand how businesses succeed.

This standard is intended for use in schools and similar settings. It is anticipated that learning and development programmes that are consistent with the standard will have practical activities that mirror or practice aspects of business enterprise, use case studies and other examples of business enterprise and bring people into contact with successful entrepreneurs. To reflect the fact that we do not expect people working to these standards to be directly engaged in preparing, starting or running a real business we have placed the term *business* in italics at appropriate places to indicate that we have in mind a simulated or practice activity.

What it involves?

Choosing a business enterprise for you involves:

- understanding your own motives for starting a business;
- being aware of your strengths and weaknesses; and
- planning and monitoring your development.

These Business Enterprise units may be relevant when you are setting up or developing a business

YS1 Explore your own motives

YS2 Check your ability to run your business

YS3 Improve your skills

EE3 Make deals to take your business forward

What you need to do

- a Consider what you would and would not enjoy doing in a *business* and why.
- b Assess your strengths and weaknesses in terms of the needs of a *business*.
- c Decide what you want to get out of a *business*.
- d Identify what skills, knowledge and behaviours you need to achieve your goals and how you will develop them.
- e Identify how other people can help you so a *business* achieves its goals.
- f Decide how you will measure progress and what will count as success.
- g Record and reflect on what you have and have not managed to achieve and revise your personal development goals and plans accordingly.

What you need to know and understand

- 1 The personal attributes and abilities that can help a small business to thrive.
- 2 How other people can help you achieve business goals (for example, giving people responsibilities that play to their strengths and offering incentives and motivations to help you meet targets).
- 3 How successful entrepreneurs have developed their abilities before and whilst running a small business.
- 4 The value of being a reflective, experiential learner and how this can be achieved.

UE2 Identifying and managing opportunities and risks

Summary

Why is this important?

Being able to identify business opportunities and their potential for growth is one of the keys to business success. When considering a potential opportunity it is important to take the time to assess the strengths and weaknesses of the proposition and be aware of any risks that may be involved.

Finding out how successful entrepreneurs have managed risks will help you make informed decisions and avoid common pitfalls.

Who might do this?

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What it involves?

Identifying and managing opportunities and risks involves:

- identifying and developing ideas for new products and services;
- being imaginative in the ways you can do business; and
- assessing the risks involved in different opportunities.

These Business Enterprise units may be relevant when you are setting up or developing a business

EE1 Achieve the goals for your business

EE4 Find innovative ways to improve your business

What you need to do

- a Create or identify an opportunity for a new product or service for a *business*.
- b Develop an idea for a new product or service.
- c Develop an idea for new and better ways of doing things in a *business*.
- d Motivate other people to offer new ideas for a *business*.
- e Assess the pros and cons of different ways of developing a *business*.
- f Decide what a reasonable risk for a *business* is and whether it is worth taking.
- g Learn from what works and what doesn't.
- h Show the drive and enthusiasm to succeed.

What you need to know and understand

- 1 The importance of identifying and creating business opportunities.
- 2 How successful entrepreneurs have identified and created business opportunities.
- 3 How innovation can deliver business benefits.
- 4 How successful entrepreneurs have encouraged and utilised new ideas and innovation.
- 5 How entrepreneurs judge their strengths and weaknesses and the opportunities and threats they face.
- 6 That starting and growing a business involves risk.
- 7 How successful entrepreneurs manage risk.

UE3 Knowing the market and satisfying customers

Summary

Why is this important?

When considering a future business it is important to know that there is a market for the product or service it offers. Having established what the market is you need to plan how to reach it. Once a customer base is secured you need to plan how you are going to look after them.

Understanding what has and hasn't worked for others in business will help you to plan how you would be able to effectively market your product and manage your customers.

Who might do this?

You might do this if you want to:

- develop the abilities that will help when setting up a business in the future;
- understand how to win and keep customers.

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What it involves?

Knowing the market and satisfying customers involves:

- understanding the market;
- promoting a business; and
- effectively managing customer relationships.

These Business Enterprise units may be relevant when you are setting up or developing a business

EE2 Win and keep customers

WB1 Check what customers need from your business

WB2 Plan how to let your customers know about your products or services

WB5 Sell your products or services

What you need to do

- a Research and assess the market for a *business*.
- b Identify what potential customers need.
- c Plan and focus a *business* around meeting those needs.
- d Present a *business* to potential customers, investors or stakeholders.
- e Decide on the most effective way of promoting and marketing a *business*.
- f Implement a budgeted marketing plan, with targets and success criteria, for a *business*.
- g Decide how you are going to check that customers are happy with products or services from a *business*.
- h Decide how you are going to deal with customer problems.
- i Decide how you are going to continuously improve what a *business* has to offer.

What you need to know and understand

- 1 How small businesses can understand their market and competition.
- 2 The importance for a business of focussing on customer needs.
- 3 How successful small businesses have achieved this.
- 4 Examples of successful marketing campaigns and why they worked.
- 5 Ways you can promote a small business without spending money.

UE4 Making successful deals

Summary

Why is this important?

Making successful deals in business is crucial in helping a business become competitive and achieve its goals. Businesses negotiate and make agreements with a variety of different parties including customers, suppliers, staff and financiers.

Valuable lessons can be learnt from understanding how successful entrepreneurs have effectively negotiated deals.

Who might do this?

You might do this if you want to:

- develop the abilities that will help when setting up a business in the future;
- understand how to secure successful business deals.

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What it involves?

Making successful deals involves:

- understanding the motives of those you want to deal with;
- enthusiastically promoting what a business can deliver; and
- clearly understanding and recording what the deal entails.

These Business Enterprise units may be relevant when you are setting up or developing a business

EE3 Make deals to take your business forward

What you need to do

- j Listen to other people and appreciate their goals and perspectives.
- k Set out what you want to achieve in a *business* and what you can offer others to help you achieve it.
- l Be able to negotiate calmly and effectively.
- m Find solutions to problems that arise.
- n Show commitment and convince others that you can achieve your goals.
- o Record and sign any agreements or deals made so everyone is clear what they have committed to.

What you need to know and understand

- 1 The importance of successful deals for a successful business.
- 2 How successful entrepreneurs have made successful deals.

UE5 Winning help and support

Summary

Why is this important?

There is a lot of advice and support available for businesses, much of which is free, so it is important to take advantage of the resources available. Knowing what is available and where to find it can help you in planning, starting-up and growing a small business. Support can range from practical advice on how to manage business finances to finding more customers.

Who might do this?

You might do this if you want to:

- develop the abilities that will help when setting up a business in the future;
- understand how other people and organisations can help.

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What it involves?

Winning help and support involves:

- finding out who can help a business; and
- effectively using personal and business contacts to help a business achieve its goals.

These Business Enterprise units may be relevant when you are setting up or developing a business

EE5 Build relationships to build your business

YS4 Seek advice and help for your business

What you need to do

- a Identify and get help for a *business* from people who can:
 - suggest opportunities;
 - provide the resources needed;
 - offer advice and support; and
 - put you in touch with potential customers.
- b Inspire people to help you make a *business* work.
- c Build trust and confidence in colleagues and customers of a *business*.

What you need to know and understand

- 1 Where to find sources of help and information (for example Internet resources, banks, other businesses, advice agencies).
- 2 What networks exist that can help businesses (for example, Chamber of Commerce, local trade associations, professional bodies, and personal networks such as friends and family).
- 3 How businesses can build and use their networks and contacts.

UE6 Planning for success

Summary

Why is this important?

For a business to be successful it needs to have a plan of how it will get there. To achieve success a business needs resources including money, skills, and tools (for example, an effective IT system). Understanding the importance of planning how a business will get the resources it needs and how it will use them effectively is critical to achieving business goals.

Who might do this?

You might do this if you want to:

- develop the abilities that will help when setting up a business in the future;
- want to understand how planning can help businesses succeed.

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What it involves?

Planning for success involves:

- deciding the goals of a business; and
- effectively sourcing and utilising resources.

These Business Enterprise units may be relevant when you are setting up or developing a business

BD1 Check the likely success of a business idea

BD3 Plan where your business is going

LG1 Choose a format that suits your business

LG2 Keep up-to-date with current legislation



What you need to do

- d Decide what a *business* should look to achieve and what would count as success.
- e Decide what a *business* needs to do to reach its goals.
- f Identify the resources needed for a *business*.
- g Plan how to secure the resources needed.
- h Make best use of your own time and all other resources.

What you need to know and understand

- 1 Appreciate the different goals businesses can have and how this influences what they do.
- 2 The value of planning and the limitations of plans.
- 3 The nature of legal and regulatory requirements real businesses have to work within.
- 4 How IT and organised ways of working can aid the efficiency and effectiveness of a business.

UE7 Managing money matters

Summary

Why is this important?

Money is the life blood of any business. Without it a business would be unable to pay its suppliers, staff or invest in the future and could quickly cause a business to fail. Understanding the principles of cash flow management will help you design and plan the financial processes a business needs.

Who might do this?

You might do this if you want to:

- develop the abilities that will help when setting up a business in the future;
- understand how businesses manage cashflow.

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What it involves?

Managing money matters involves:

- effective financial planning; and
- managing financial records

These Business Enterprise units may be relevant when you are setting up or developing a business

- MN1 Decide on your financial needs
- MN2 Set and monitor financial targets
- MN3 Keep financial records
- MN4 Manage cash flow

What you need to do

- i Decide on the financial needs of a *business*.
- j Decide how to get the money needed for a *business*.
- k Set financial targets for a *business*.
- l Keep financial records for a *business*.
- m Judge whether the financial records show a business is on target.
- n Decide what action to take if it a *business* is not on target.

What you need to know and understand

- 1 The importance of cashflow in a small business.
- 2 How to judge the cashflow a business needs.
- 3 The concepts of profit, turnover and cashflow.
- 4 How to keep basic manual or computer-based financial records.