

ENTERPRISE Knowledge Organiser

COMPONENT 1 - LAA



Content	THEORY	KEY TOPICS	COURSEWORK
A1 What is an enterprise?	Enterprises carry out one or more activities, such as being involved with goods, services or both. • Most enterprises face some kind of competition. • Enterprises need to attract and keep customers happy and often face difficulties in capturing and retaining customers. • The role of customer service in attracting new customers, securing repeat purchase, customer loyalty and an improved reputation. • Enterprises use creativity and innovation to meet customers' needs by identifying gaps in the market for goods or services, or by identifying a market for new goods or services. • Reasons why some enterprises fail.	Describe the purpose of the SMEs and how they achieve their purpose. • Describe the characteristics of the SMEs, including size, ownership type, products or services, location. • Describe the characteristics of the entrepreneurs. • Analyse the importance of the SMEs and entrepreneurs' characteristics in meeting their purpose. • Assess how far these characteristics contribute to the levels of success.	A.2P1 Compare the purpose, activities and aims of two contrasting local enterprises.
A2 Types and characteristics of SMEs	Definition of SMEs to include all of the following: o micro – up to 10 people o small – between 11–49 staff o medium – between 50–249 staff. • Characteristics of SMEs: o run by a single individual or small team of people o small number of employees o type of ownership – sole trader, partnership, ltd. o physical location and/or operate online.		A.2P2 Describe the entrepreneurial characteristic and skills demonstrated in each selected local enterprise.
A3 The purpose of enterprises	Aims such as making a profit, surviving, expanding, maximising sales, providing a voluntary or charitable service, being environmentally friendly, being ethical. • Objectives that can provide challenges and targets over a defined period of time. • How social and political pressures can influence enterprises to consider wider ethical responsibilities. • Range of the types of products and services provided by enterprises, e.g. cleaning, fitness instruction, IT consultancies, financial consultancies, selling products, for example a food stall, newsagent, artists selling work online.		A.2M1 Analyse how entrepreneurial characteristics and skills support the purpose of a selected local enterprise.
A4 Entrepreneurs	Reasons for starting own enterprise – to be your own boss, to pursue a hobby, flexibility. • Characteristics of entrepreneurs: focus, passion, motivated and dedicated, inventive or innovative, proactive, confident, flexible and adaptable, resilient, having vision and the capacity to inspire. • Skills for success: knowledge of industry/sector, technical skills, interpersonal communication skills, planning, time management, negotiation, prioritising tasks, problem solving, managing risk.		A.2D1 Assess how successful a selected local enterprise has been in achieving its main purpose.

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Homework

Comparison of 2 famous entrepreneur's	Tested through presentation
Comparison of size/scale	Tested through multiple choice questions
Comparison of ownership	Tested through multiple choice questions
Comparison of purpose - case study	Tested through case study questions
Skill/characteristic case study	Tested through multiple choice questions
Skill/characteristic questionnaire	Tested through questions

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COMPONENT 1 - LAB



Content	THEORY	KEY TOPICS	COURSEWORK
B1 Customer needs	<ul style="list-style-type: none"> • The importance of anticipating and identifying customer needs. • Identifying customer expectations: <ul style="list-style-type: none"> o good-value products o rapid response to enquiries o clear and honest information. • After-sales service. • The ways in which different products can be linked to different kinds of customers according to age, gender, income, lifestyle and location. 	<p>Explain how the selected SMEs use both primary and secondary research and how the data can be presented following research; clearly differentiating between qualitative and quantitative research.</p>	<p>B.2P3 Explain how two selected enterprises use market research to meet customer needs and understand competitor behaviour.</p>
B2 Using market research to understand customers	<p>Qualitative research – based on individual customer responses, open-ended questions.</p> <ul style="list-style-type: none"> • Quantitative research – based on numerical and statistical data. • Primary research – research carried out directly with potential customers. • Types of primary research, e.g.: <ul style="list-style-type: none"> o questionnaires - using a set of qualitative and quantitative questions, e.g. face-to-face, telephone, post, on a website/social media site o visits or observation – looking at and recording how people behave in situations in a structured way o interviews or focus groups – talking to people to find out their views and experiences o surveys – a quantitative method that involves asking people to fill in paper or online questionnaires. • Secondary research – using existing research from third parties. • Sources of secondary research, e.g.: <ul style="list-style-type: none"> o online research, internet searches, websites o company materials o market reports o government reports. 	<p>Discuss how well the methods selected by the SMEs have been designed to meet customer needs and how competitor behaviour can affect SMEs.</p> <p>For one of the SMEs assess how effectively the methods selected have been in meeting the needs of the customer and understanding competitor behaviour.</p>	<p>B.2M2 Discuss how market research methods are designed to meet customer needs and understand competitor behaviour in two selected enterprises.</p>
B3 Understanding competitors	<p>The main features which make products competitive:</p> <ul style="list-style-type: none"> o price o quality o availability o unique features and selling points (USP). <ul style="list-style-type: none"> • Identifying competitors. • How products stand out from similar products in the market. 	<p>For one of the SMEs assess how effectively the methods selected have been in meeting the needs of the customer and understanding competitor behaviour.</p>	<p>B.2D2 Assess the effectiveness of the market research methods used to meet customer needs and understand competitor behaviour in a selected enterprise.</p>

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Customer needs - using market research	Tested through multiple choice questions
Market research - purpose of	Tested through case study questions
Quantitative	Tested through multiple choice questions
Qualitative	Tested through multiple choice questions
Competitor behaviour - using market research	Tested through multiple choice questions

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COMPONENT 1 - LAC



Content	THEORY	KEY TOPICS	COURSEWORK
C1 Internal factors	<ul style="list-style-type: none"> Factors within the control of the enterprise that can impact positively or negatively on costs, to include: understanding the market – who the competition is, what customers want; keeping customers satisfied – the ability to meet customer needs better than its competitors on quality, price, features, customer service, availability, convenience; effective planning and financing; marketing and promoting the enterprise; unforeseen human resources costs, e.g. staff illness. 	<p>Explain the internal and external factors affecting the success of the selected SMEs, which can be those used in learning aims A and B.</p> <ul style="list-style-type: none"> When looking at external factors, the laws protecting both the SME and the customer should be considered. <p>Situational analysis will be used to identify the range of success factors.</p> <ul style="list-style-type: none"> For one chosen SME, analyse the internal and external factors and evaluate which are the most significant factors currently affecting the success of the chosen SME. 	C.2P4 Explain ways in which internal factors are important for business success.
C2 External factors	<ul style="list-style-type: none"> Factors outside the control of the enterprise that can impact positively or negatively on costs, to include: changes in the cost of energy, raw materials, borrowing, premises; changes in costs of marketing or selling; governmental changes – new regulations, changes in taxation. Factors outside the control of the enterprise that can impact positively or negatively on revenues, to include: competitors – new competitors, changes made by existing competitors; consumer confidence in the economy – growth/recession, level of employment; changing consumer behaviour – social trends, taste; changes in consumer legislation, sales and labelling of products the misuse of information. 		C.2P5 Explain ways in which external factors are important for business success.
C3 Situational analysis	<p>Using situational analysis to identify how internal and external factors might affect an enterprise, to include: SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis – draws together everything that could affect the success of an enterprise, including competitive advantage and disadvantage, usually presented in the form of a table with bulleted points; PEST (Political, Economic, Social and Technological) analysis – identifies all political, economical, social and technological factors that might affect an enterprise, usually presented in the form of a table with bulleted points.</p>		C.2M3 Analyse how the internal and external factors determine the success of a selected enterprise.
C4 Measuring the success of an SME	<ul style="list-style-type: none"> Measures of success of SMEs – how far they meet business aims – surviving, breaking even, making a profit, meeting customer needs. Reasons for the success of SMEs: skills, hard work, determination, resilience and the ability of the entrepreneur; ability to develop/motivate/train employees; level of customer service/satisfaction and the ability to meet customer needs; years of experience operating in this or similar markets. Methods of measuring success, e.g.: surviving; making a living ; sales volume/value; market share; profit; customer satisfaction/reputation. 		C.2D3 Evaluate the most significant internal and external factors currently affecting a selected enterprise.

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Internal factors	Tested through multiple choice questions
SWOT	Tested through multiple choice questions
External factors	Tested through multiple choice questions
PEST	Tested through multiple choice questions
Measuring success	Tested through case study questions
What does success look like?	Tested through presentation

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COMPONENT 2 - LAA



Content	THEORY	KEY TOPICS	COURSEWORK
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 o provision of products/services in new contexts o provision of products/services to new markets. • Factors to be considered when selecting final idea, e.g.: o resources available o financial forecasts o costing and pricing o methods of communication and promotion o potential customers. • A skills audit by learners, to consider: o leadership, personal and communication skills required o technical and practical skills required.	Research three possible ideas for micro-enterprise activities and choose one idea to take forward. Prepare a plan supported by research, to include: • the product or service to be sold and its selling price • setting appropriate aims • identification of the target market • an estimation of the resources needed and how to obtain them • an appropriate timescale for the activity • selecting an appropriate method of promotion communication • carrying out a risk assessment and identifying contingency plans to overcome any issues identified • producing initial financial forecasts to include break-even, forecast profit/loss and cash flow forecasts.	A.2P1 Describe three potential ideas for micro-enterprise activities obtained using market research.
A2 Plan for a micro-enterprise activity	Learners will draw on their exploration of enterprises to draw up an implementation plan for their chosen idea, to include: • Aims of the micro-enterprise: o financial aims, e.g. to make a profit, to break-even o non-financial aims, e.g. customer satisfaction, social aims such as meeting a need in the community. • Product or service to be sold, including: o features, benefits and unique selling points o selling price o cost o competitors. • Identifying the target market: o market segment o appeal to target market o how product or service will reach market, e.g. selling direct, online or both o establishing and sustaining sales to the target customers. • Methods of communication with the customer: o selection of methods, e.g. advertising, use of social media o cost effectiveness o design of promotional materials, i.e. appropriate content (accuracy, completeness and clarity of information/message) and appropriate appearance (e.g. use of colour, visual features, images, logos, text • Resources required: o physical resources, including location, materials, equipment, fixtures and fittings, information technology, stock o financial resources, including sources of finance, start-up costs, running costs, production costs/cost of sales o human resources, e.g. skills and roles, possible training and development needs. • Risk assessment, and contingency plans, e.g.: o lack of skills o competitors and their actions o unexpected costs of production o sourcing resources, e.g. financial resources, suppliers of materials/stock o quality control issues o lack of customer interest.		A.2P2 Prepare a realistic plan for a final micro-enterprise activity, fully explaining reasons for choice of final idea. A.2M1 Prepare a detailed, well-structured realistic plan for a final micro-enterprise activity, giving detailed reasons for choice of idea supported by individual research. A.2D1 Prepare a comprehensive and realistic plan for a final micro-enterprise activity, supported by clear individual research.

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Enterprise mind-map	Home research
Factors affecting choice	Tested through multiple choice questions
Enterprise choice of 3	Tested through P1 write up
Financial/non-financial aims	Tested through multiple choice questions
Costing	Tested through multiple choice questions
Profit/loss	Tested through multiple choice questions
Breakeven	Tested through multiple choice questions

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COMPONENT 2 - LAB



Content	THEORY	KEY TOPICS	COURSEWORK
B1 Pitching a micro-enterprise activity	<ul style="list-style-type: none"> • Pitching: presenting key elements of a business plan logically. 	Prepare a pitch of a final plan, to include: <ul style="list-style-type: none"> • a summary of the final plan, clearly showing all elements of the plan • speaker notes • handouts for the audience. Rehearsal of the pitch: <ul style="list-style-type: none"> • anticipating audience questions and preparing potential replies. 	C.2P4 Explain ways in which internal factors are important for business success.
B2 Presenting a business pitch	Presentation skills: <ul style="list-style-type: none"> o professional behaviour and conduct of presenter o positive attitude o well-rehearsed and prepared o considerate of the needs and interests of the audience o use of visual aids, e.g. computer projection/slideshow with speaker notes, handouts for audience, clarity and legibility of text, impact of graphics and images. • Communication skills: <ul style="list-style-type: none"> o body language, gestures and eye contact o language and tone, pace, volume and projection o use of business terminology o listening, handling questions and formulating appropriate responses. 		C.2P5 Explain ways in which external factors are important for business success.
			C.2M3 Analyse how the internal and external factors determine the success of a selected enterprise.
			C.2D3 Evaluate the most significant internal and external factors currently affecting a selected enterprise.

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TOPIC	Tested through multiple choice questions
PRESENTATION SKILLS	LEAFLET
BODY LANGUAGE	LEAFLET
QUESTIONING	HANDOUT
PRACTICE PITCH	WITNESS STATEMENT

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COMPONENT 2 - LAC



Content	THEORY	KEY TOPICS	COURSEWORK
C1 Using feedback and review to identify possible changes to the pitch	<p>Receive feedback from audience on:</p> <ul style="list-style-type: none"> o the business content of the pitch o the presentation and communication skills demonstrated. 	<p>A written review of:</p> <ul style="list-style-type: none"> • the plan and its contents • the pitch, to include the skills demonstrated. 	C.2P4 Describe the elements of the business plan that contributed to the success of the pitch.
	<p>Reviewing plan and personal performance, reflecting on feedback gathered from others:</p> <ul style="list-style-type: none"> o what went well, e.g. clear synopsis of plan, demonstration of skills o what went less well or did not go to plan, e.g. not clearly explaining plan, lack of presentation and communication skills. 		C.2P5 Review the success of the pitch, using examples to reference own skills, and suggest improvements.
	<p>Recommending improvements:</p> <ul style="list-style-type: none"> o to the contents of the plan o to own performance. 		<p>C.2M3 Analyse the success of the plan and pitch, giving detailed examples, and suggesting improvements.</p> <p>C.2D3 Evaluate the success of the plan and pitch, and recommend how improvements to the plan and pitch could be made.</p>

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TOPIC	Tested through coursework write up
CONTINGENCY PLANNING	
REVIEWING	

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COMPONENT 3 - LAA



Content	THEORY	COMMAND WORD	MEANING
A1 Elements of the promotional mix and their purposes	<p>The use of advertising to persuade and inform. • The two basic aspects of advertising are: o the message: what the communication needs to say o the medium: how to get the message across. • Advertising methods: moving image, print, ambient, digital, audio. • Sales promotion: providing incentives to customers. • Methods: coupons, competitions, money off, loyalty incentives, ‘buy one get one free’, discounts. • Personal selling: face-to-face, by telephone, via email, through video or web conferencing. • Public relations activities: promoting a produce/service, brand or enterprise by placing information about it in the media without paying for the time or media space directly: o methods: exhibitions, sponsorship, press releases. • Direct marketing to establish an individual relationship between the enterprise and the customer: o methods: direct mail (junk mail), mail order catalogues, magazines, telemarketing</p>	Add/Label	Requires the addition of labelling to a stimulus material given in the question, for example labelling a diagram or adding units to a table.
		Analyse	Examine (something) methodically (e.g. break down into its component parts) and in detail, typically in order to explain, interpret or communicate something.
		Assess	Give careful consideration to all the factors or events that apply and identify which are the most important or relevant. Make a judgement on the importance of something and come to a conclusion where needed
		calculate	Obtain a numerical answer, showing relevant working. If the answer has a unit, this must be included.
		Complete	Provide the missing information for a table/diagram so that it is complete (contains all the necessary information).
		Discuss	Consider the different aspects in detail of an issue, situation, problem or argument and how they interrelate.
		Draw	Produce a diagram either using a ruler or using freehand OR create a graphical or visual representation of information.
A2 Targeting and segmenting the market	<p>• Types of market: Business to Business (B2B), Business to Consumer (B2C). • Segmenting the market to identify which customers its promotions will target through: o demographics: age, race, religion, gender, family size, ethnicity, income, education level, socio-economic group o geographic: location o psychographic: social class, attitudes, lifestyle and personality characteristics o behavioural: spending, consumption, usage, loyalty status and desired benefits.</p>	evaluate	Consider various aspects of a subject’s qualities in relation to its context such as: strengths or weaknesses, advantages or disadvantages, pros or cons. Come to a judgment supported by evidence which will often be in the form of a conclusion.
		explain	Requires identification of a point and linked justification/ exemplification of that point. The answer must contain some linked reasoning.
A3 Factors influencing the choice of promotional methods	<p>The factors affecting the choice of promotional method for an enterprise. • Size of enterprise. • Budgetary constraints. • Appropriateness for product/service. • Target market.</p>	Give/name/list /state	These generally require recall of one or more pieces of information.
		Identify	Usually requires some key information to be selected from a given stimulus/resource.

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Advertising message	Tested through multiple choice questions
Advertising medium	Tested through multiple choice questions
Promotion	Tested through multiple choice questions
Types of markets	Tested through multiple choice questions
Target market	Tested through multiple choice questions
Factors affecting promotion	Tested through multiple choice questions

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COMPONENT 3 - LAB



Content	THEORY	COMMAND WORD	MEANING
B1 Financial documents	Types: invoices, delivery notes, purchase orders, credit notes, receipts, statement of account. • Importance to a business of accuracy when these documents are being used.	Add/Label	Requires the addition of labelling to a stimulus material given in the question, for example labelling a diagram or adding units to a table.
B2 Payment methods	Payment methods: cash, credit cards, debit cards, direct debit, payment technologies. • Impact on customers and enterprises of using different methods.	Analyse	Examine (something) methodically (e.g. break down into its component parts) and in detail, typically in order to explain, interpret or communicate something.
B3 Sources of revenue and costs	Income from sales and from assets. • Start-up costs and running costs.	Assess	Give careful consideration to all the factors or events that apply and identify which are the most important or relevant. Make a judgement on the importance of something and come to a conclusion where needed
B4 Terminology in financial statements	Turnover (net sales) and cost of sales (cost of goods sold). • Gross profit, expenses, net profit, retained profit. • Fixed assets and current assets. • Current liabilities and long-term liabilities. • Debtors and creditors. • Net current assets. • Capital.	calculate	Obtain a numerical answer, showing relevant working. If the answer has a unit, this must be included.
B5 Statement of comprehensive income	Learners will complete and interpret a statement of comprehensive income using given figures, and suggest appropriate actions. • Statement of comprehensive income: shows the profit or loss of an enterprise over time. • Calculate profit/loss using a simple statement of comprehensive income.	Complete	Provide the missing information for a table/diagram so that it is complete (contains all the necessary information).
B6 Statement of financial position	Learners will complete and interpret a statement of financial position using given figures, and suggest appropriate actions. • Statement of financial position: shows the financial performance of an enterprise at a point in time. • Categorise total assets and liabilities using a statement of financial position.	Discuss	Consider the different aspects in detail of an issue, situation, problem or argument and how they interrelate.
B7 Profitability and liquidity	Learners will interpret statements of comprehensive income and of financial position to calculate ratios. • The difference between cash and profit. • The difference between liquidity and profitability. • Calculate profitability ratios from given formulae: o gross profit margin percentage (GPM): (gross profit/revenue) × 100 o net profit margin percentage (NPM): (net profit/revenue) × 100. • Calculate liquidity ratios from given formulae: o current ratio: current assets/current liabilities o liquid capital ratio: (current assets – inventory)/current liabilities	Draw	Produce a diagram either using a ruler or using freehand OR create a graphical or visual representation of information.
		evaluate	Consider various aspects of a subject's qualities in relation to its context such as: strengths or weaknesses, advantages or disadvantages, pros or cons. Come to a judgment supported by evidence which will often be in the form of a conclusion.
		explain	Requires identification of a point and linked justification/exemplification of that point. The answer must contain some linked reasoning.
		Give/name/list/state	These generally require recall of one or more pieces of information.
		Identify	Usually requires some key information to be selected from a given stimulus/resource.

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Financial documents	Tested through multiple choice questions
Payment methods	Tested through multiple choice questions
Sources of revenue and costs	Tested through multiple choice questions
Terminology	Tested through multiple choice questions
Statement of comprehensive income	Tested through multiple choice questions
Statement of financial position	Tested through multiple choice questions
Profitability and liquidity	Tested through multiple choice questions

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COMPONENT 3 - LAC



Content	THEORY	COMMAND WORD	MEANING
C1 Using cash flow data	Cash – liquid assets of the business; bank balance plus cash in the business. • Cash flow – difference between the cash flowing into the business (inflows) and the cash flowing out of the business (outflows), positive and negative liquidity. • Difference between sales and purchases. • Cash flow statement: the cash inflows and the cash outflows over the past 12 months. • Cash flow forecast: outlines the forecasted future cash inflows (from sales) and the outflows (such as raw materials, wages) per month over a period of time.	Add/Label	Requires the addition of labelling to a stimulus material given in the question, for example labelling a diagram or adding units to a table.
C2 Financial forecasting	• Purpose of a cash flow forecast: o to identify money coming in (inflows) and going out (outflows) of the enterprise over time o to determine net current asset requirements and make business decisions. • Inflows: sales, capital introduced, loans. • Outflows: purchases, running costs.	Analyse	Examine (something) methodically (e.g. break down into its component parts) and in detail, typically in order to explain, interpret or communicate something.
C3 Suggesting improvements to cash flow problems	Analysis of cash flow information – considering changes in inflows and outflows over a period and how this affects the enterprise, considering differences between predicted and actual cash flow. • Cash flow problems – not having enough cash to pay employees and suppliers. • Impact of timings of inflows and outflows, and suggested solutions to problems: o increasing revenue o selling off unused assets o selling off inventory o chasing debtors for monies owed o cutting costs o delaying payment to suppliers o reducing credit period offered to customers o cutting back or delaying expansion plans.	Assess	Give careful consideration to all the factors or events that apply and identify which are the most important or relevant. Make a judgement on the importance of something and come to a conclusion where needed
C4 Break-even analysis and break-even point	Learners will construct and interpret a break-even chart, and recognise its limitations. • Costs: variable costs, fixed costs, total costs. • Sales: total revenue. • Margin of safety. • Break-even = fixed costs/(selling price per unit – variable cost per unit). • Break-even point. • The value and importance of break-even analysis to enterprises when planning. • Limitations of break-even analysis.	calculate	Obtain a numerical answer, showing relevant working. If the answer has a unit, this must be included.
C5 Sources of business finance	Learners will consider why enterprises may plan different sources of finance for different purposes or at different stages and the relevance of each source. • Sources of finance: o owner funds o retained profits o loans o credit cards o government grants o hire purchase and leasing o trade credit o venture capital o peer-to-peer lending. • Advantages and disadvantages of each source.	Complete	Provide the missing information for a table/diagram so that it is complete (contains all the necessary information).
		Discuss	Consider the different aspects in detail of an issue, situation, problem or argument and how they interrelate.
		Draw	Produce a diagram either using a ruler or using freehand OR create a graphical or visual representation of information.
		evaluate	Consider various aspects of a subject's qualities in relation to its context such as: strengths or weaknesses, advantages or disadvantages, pros or cons. Come to a judgment supported by evidence which will often be in the form of a conclusion.
		explain	Requires identification of a point and linked justification/exemplification of that point. The answer must contain some linked reasoning.
		Give/name/list/state	These generally require recall of one or more pieces of information.
		Identify	Usually requires some key information to be selected from a given stimulus/resource.

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Cash flow	Tested through multiple choice questions
Financial forecasting	Tested through multiple choice questions
Breakeven	Tested through multiple choice questions
Sources of business finance	Tested through multiple choice questions
Revision	Tested through Kahoot
Revision	Tested through Kahoot