Understanding Enterprise

National Occupational Standards

November 2007
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Choosing your business enterprise

Overview

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.

You might do this if you want to:
1. develop the abilities that will help if you set up a business in the future
2. 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.

Choosing a business enterprise for you involves:
1. understanding your own motives for starting a business
2. being aware of your strengths and weaknesses
3. planning and monitoring your development
Choosing your business enterprise

Performance criteria

You must be able to:

P1 consider what you would and would not enjoy doing in a business and why
P2 assess your strengths and weaknesses in terms of the needs of a business
P3 decide what you want to get out of a business
P4 identify what skills, knowledge and behaviours you need to achieve your goals and how you will develop them
P5 identify how other people can help you so a business achieves its goals
P6 decide how you will measure progress and what will count as success
P7 record and reflect on what you have and have not managed to achieve and revise your personal development goals and plans accordingly
Knowledge and understanding

You need to know and understand:

K1 the personal attributes and abilities that can help a small business to thrive
K2 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)
K3 how successful entrepreneurs have developed their abilities before and whilst running a small business
K4 the value of being a reflective, experiential learner and how this can be achieved
Links to other NOS

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

YS1  Explore your own business motives
YS2  Check your ability to run your business
YS3  Improve your business skills
EE3  Make deals to take your business forward
# CFAUE1
Choosing your business enterprise

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Overview

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.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. understand how businesses succeed

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Identifying and managing opportunities and risks involves:
1. identifying and developing ideas for new products or services
2. being imaginative in the ways you can do business
3. assessing the risks involved in different opportunities
CFAUE2
Identifying and managing opportunities and risks

Performance criteria

You must be able to:

- **P1** create or identify an opportunity for a new product or service for a business
- **P2** develop an idea for a new product or service
- **P3** develop an idea for new and better ways of doing things in a business
- **P4** motivate other people to offer new ideas for a business
- **P5** assess the pros and cons of different ways of developing a business
- **P6** decide what a reasonable risk for a business is and whether it is worth taking
- **P7** learn from what works and what doesn't
- **P8** show the drive and enthusiasm to succeed
CFAUE2

Identifying and managing opportunities and risks

Knowledge and understanding

You need to know and understand:

K1 the importance of identifying and creating business opportunities
K2 how successful entrepreneurs have identified and created business opportunities
K3 how innovation can deliver business benefits
K4 how successful entrepreneurs have encouraged and utilised new ideas and innovation
K5 how entrepreneurs judge their strengths and weaknesses and the opportunities and threats they face
K6 that starting and growing a business involves risk
K7 how successful entrepreneurs manage risk
CFAUE2
Identifying and managing opportunities and risks

Additional Information

Links to other NOS

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
**CFAUE2**
Identifying and managing opportunities and risks

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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.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. understand how to win and keep customers

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Knowing the market and satisfying customers involves:
1. understanding the market
2. promoting a business
3. effectively managing customer relationships
Knowing the market and satisfying customers

**Performance criteria**

*You must be able to:*

- **P1** research and assess the market for a *business*
- **P2** identify what potential customers need
- **P3** plan and focus a *business* around meeting those needs
- **P4** present a *business* to potential customers, investors or stakeholders
- **P5** decide on the most effective way of promoting and marketing a *business*
- **P6** implement a budgeted marketing plan, with targets and success criteria for a *business*
- **P7** decide how you are going to check that customers are happy with products or services from a *business*
- **P8** decide how you are going to deal with customer problems
- **P9** decide how you are going to continuously improve what a *business* has to offer
CFAUE3
Knowing the market and satisfying customers

Knowledge and understanding

You need to know and understand:

K1 how small businesses can understand their market and competition
K2 the importance for a business of focussing on customer needs
K3 how successful small businesses have achieved this
K4 examples of successful marketing campaigns and why they worked
K5 ways you can promote a small business without spending money
CFAUE3
Knowing the market and satisfying customers

Additional Information

Links to other NOS

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
# CFAUE3

Knowing the market and satisfying customers

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Overview

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.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. understand how to secure successful business deals

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Making successful deals involves:
1. understanding the motives of those you want to deal with
2. enthusiastically promoting what a business can deliver
3. clearly understanding and recording what the deal entails
Performance criteria

You must be able to:

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<td>P1</td>
<td>listen to other people and appreciate their goals and perspectives</td>
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<tr>
<td>P2</td>
<td>set out what you want to achieve in a business and what you can offer others to help you achieve it</td>
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<tr>
<td>P3</td>
<td>be able to negotiate calmly and effectively</td>
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<td>P4</td>
<td>find solutions to problems that arise</td>
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<td>P5</td>
<td>show commitment and convince others that you can achieve your goals</td>
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<td>P6</td>
<td>record and sign any agreements or deals made so everyone is clear what they have committed to</td>
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CFAUE4 Making successful deals
Knowledge and understanding

You need to know and understand:

- K1 the importance of successful deals for a successful business
- K2 how successful entrepreneurs have made successful deals
CFAUE4
Making successful deals

Additional Information

**Links to other NOS**

These Business Enterprise units may be relevant when you are setting up or developing a business:
EE3  Make deals to take your business forward
### CFAUE4
### Making successful deals

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Overview

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.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. understand how other people and organisations can help

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Winning help and support involves:
1. finding out who can help a business
2. effectively using personal and business contacts to help a business achieve its goals
CFAU5E
Winning help and support

Performance criteria

You must be able to:

P1 identify and get help for a business from people who can:
  P1.1 suggest opportunities
  P1.2 provide the resources needed
  P1.3 offer advice and support
  P1.4 put you in touch with potential customers

P2 inspire people to help you make a business work

P3 build trust and confidence in colleagues and customers of a business
Knowledge and understanding

You need to know and understand:

K1 where to find sources of help and information (for example Internet resources, banks, other businesses, advice agencies)

K2 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)

K3 how businesses can build and use their networks and contacts
CFAUE5
Winning help and support

Additional Information

Links to other NOS

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
**CFAUE5**

*Winning help and support*

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Overview

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.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. want to understand how planning can help businesses succeed

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Planning for success involves:
1. deciding the goals of a business
2. effectively sourcing and utilising resources
Performance criteria

You must be able to:
P1 decide what a business should look to achieve and what would count as success
P2 decide what a business needs to do to reach its goals
P3 identify the resources needed for a business
P4 plan how to secure the resources needed
P5 make best use of your own time and all other resources
Knowledge and understanding

You need to know and understand:

K1 appreciate the different goals businesses can have and how this influences what they do
K2 the value of planning and the limitations of plans
K3 the nature of legal and regulatory requirements real businesses have to work within
K4 how IT and organised ways of working can aid the efficiency and effectiveness of a business
Additional Information

Links to other NOS

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 legal format that suits your business
LG2  Keep up to date with current legislation affecting your business
## CFAUE6
Planning for success

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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.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. understand how businesses manage cash flow

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Managing money matters involves:
1. effective financial planning; and
2. managing financial records
Performance criteria

You must be able to:

P1 decide on the financial needs of a business
P2 decide how to get the money needed for a business
P3 set financial targets for a business
P4 keep financial records for a business
P5 judge whether the financial records show a business is on target
P6 decide what action to take if a business is not on target
Knowledge and understanding

You need to know and understand:

K1  the importance of cashflow in a small business
K2  how to judge the cashflow a business needs
K3  the concepts of profit, turnover and cashflow
K4  how to keep basic manual or computer-based financial records
Additional Information

Links to other NOS

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

MN1  Decide on the financial needs of your business
MN2  Set and monitor financial targets for your business
MN3  Keep financial records for your business
MN4  Manage cash flow in your business
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