

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

Assessment type: Internal

Guided learning hours: 36

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 component, you will use the research knowledge gained from Component 1 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.

Learning aims

A Explore ideas and plan for a micro-enterprise activity

B Pitch a micro-enterprise activity

C Review own pitch for a micro-enterprise activity.

ASSIGNMENT BRIEF

Qualification Pearson BTEC Level 1/Level 2 Tech Award in Enterprise

Component number and title 2: Planning for and Pitching an

Enterprise Activity

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

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

Main body of the plan

This should be detailed and include:

The aims of your micro-enterprise activity to include:

- o financial aims
- o non-financial aims.

The product or service to be sold to include:

- o its features, benefits and unique selling points
- o its cost, and how much you will sell it for
- o the current competition in the market.

An identification of the target market including:

- o the segment your product or service is aimed at
- o how and why the product or service will appeal to this target market
- o how the product or service will reach customers
- o how you will establish and sustain sales to the target Market.

How you will communicate with the customer to include:

O methods of communication and reasons why they are

appropriate for the target market

- o the cost effectiveness of the methods chosen
- o examples of promotional materials that you plan to use.

An estimation of the resources you will require to include:

- o physical, financial and human resources
- o how each of these resources are to be obtained/funded.

An appropriate timescale for the activity, from initial plan through to completion of trading, including when each of the following will take place:

- o marketing
- o selling/trading
- o any other operations.

A risk assessment and contingency plan to ensure the quality of the product or service that includes:

- o the risks involved
- o how you plan to overcome these risks and issues should they arise.

The final part of your plan is the appendix. This should include:

- o initial financial forecasts to include start-up costs, running costs and production costs/cost of sales.
- o evidence of your individual research.

Checklist of evidence

- Individual written plan with complete and accurate initial required financial forecasts.
- Supporting research.

Criteria covered by this task:

To achieve the criteria you must show that you are able to:

A.2D1 Prepare a comprehensive and realistic plan for a final micro-enterprise activity, supported by clear individual research.

A.2M1 Prepare a detailed, realistic and well-structured plan for a final micro-enterprise activity, giving detailed reasons for choice of idea supported by individual research.

A.2P2 Prepare a realistic plan for a final micro-enterprise activity, fully explaining reasons for choice of final idea.

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

A.1M2 Prepare an outline plan for a final micro-enterprise activity, giving some reasons for choice of final idea.

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

A.1P2 Prepare an outline plan for a final micro-enterprise activity.

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

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:**

- **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 color 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 color 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? ie. innovation, goods/services in new markets?

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

THEORY

- 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?

- 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?

- 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

- 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?

- 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

THEORY

A skills audit

A skills audit is how you assess which skills you already have, how you have got these skills and which skills you do not have and the actions you can take to acquire or improve these skills. It is helpful when considering a new enterprise because it will help you to see where your strong points are, and how they can help you with setting up your enterprise. It is also useful to show you which skills are missing.

Leadership

This is the ability to motivate others and help to lead the workforce to achieve goals, leaders must be able to gain the trust of employees and share a common sense of direction.

Personal and communication skills

Personal skills are important and include being able to interact with others, being reliable, flexible, motivated, and being able to solve problems.

Communication skills is having the ability to communicate well with other people well in an appropriate way that conveys the correct message, and also having the ability to listen to others.

How many different people can you think of that you might have to communicate with?

Technical skills/Practical skills

Technical skills are the abilities and knowledge needed to perform specific tasks. They are practical, and often relate to mechanical, information technology, mathematical, or scientific tasks. Some examples include knowledge of programming languages, mechanical equipment, or tools.



This links in with Component One where you have looked at skills of an entrepreneur, think back to what you learnt in that unit

What skills do you think you will need for your enterprise?

How will they help your enterprise be successful ?

Are there any skills that you do not have?

What can you do to improve or acquire these skills?

A2 Plan for a micro-enterprise activity

You will be drawing on your 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.

THEORY

Aims are targets that the enterprise wants to achieve normally within a specific amount of time. The aim should be SMART which means it should be specific, measurable, achievable, realistic and timed.

Example “ The businesses aim is to make a profit of £5000 at the end of the first year, this will be achieved through sales every month achieving a profit of £420 every month”

Explain how this aim has used the SMART framework

Specific	<i>The aim has specifically stated how much profit they want to achieve</i>
Measurable	
Achievable	
Realistic	
Timed	

Now come up with 2 SMART objectives of your own;

Financial Aim :

Non Financial Aim:

Product or service to be sold, including:

When you consider your ideas for your chosen product or service you will need to consider the following;

Features, benefits and unique selling points

What are the features of your product and what benefits will it bring to your customers? Why will they want to buy it and what makes your product or service different to your competitors?

Selling price

You will need to make enough money to cover your costs and hopefully make a profit, but you will also need to keep your pricing competitive.

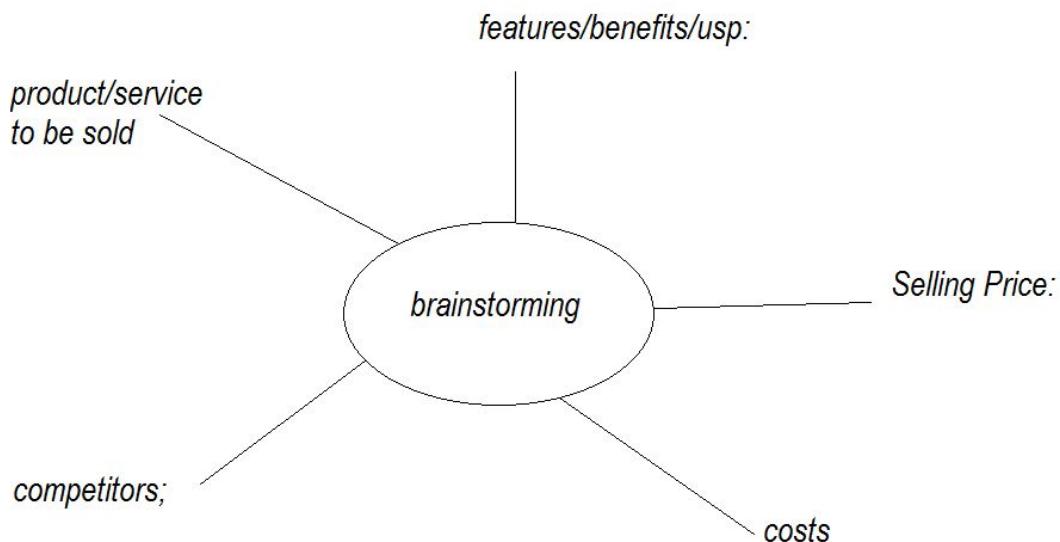
Cost

You will need to consider how much it will cost you to provide the goods or service and how much it will cost to set up the business.

Competitors

You will need to consider who your target market is and consider their age , gender, income, hobbies and spending habits

Thinking Time



Identifying the target market:

Market segment

A market segment is a group of people who share one or more common characteristics, lumped together for marketing purposes. Each market segment is unique, and marketers use various criteria to create a target market for their product or service.

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.

What is a market segment?

Why is it important to identify your target market?

What may happen if you do not identify your target market?

Can you think of an example of a target market?

A.1P2 Prepare an outline plan for a final micro-enterprise activity.

The business

Your business name:

Strapline:

Business overview:

What are you going to sell?:

its features, benefits and unique selling points

Business aims:

Financial Aims: (make a profit/break even)

Non Financial Aims (customer satisfaction, being ethical, becoming a recognised brand)

Who are your customers:

the segment your product or service is aimed at

how and why the product or service will appeal to this target market

how the product or service will reach customers

how you will establish and sustain sales to the target Market.

How will you sell your product?

Key findings from desk research:

Model answer:

Online research quickly reveals that this is quite a saturated market, on Etsy alone there are 97,149 Results if you search for 'handmade bunting'. There is evidence from desk research from Statista that shows between 2005 and 2017 an increased trend of people feeling the importance for buying locally, this study was with regard to food but buying local campaigns have recently grown in popularity. Average cost for 2m of bunting of patterns on Etsy appears to be £12 and more bespoke designs for weddings can cost as much as £50.

Where have you researched your product /service online? _____

What has this shown you about the market?? _____

Is there any increased trends of people buying this product or service?? _____

How do you prices fit inline with competitors or other businesses?? _____

3.4 Key findings from field research – customer questionnaires:

TASK: Design a questionnaire to ask your potential customers

Examples

- 1.on a scale of 1- 10 how likely are you to buy this product? (likert scale questions)
2. Does this product appeal to you? (yes /no quantitative questions)
3. Why does this product/service appeal to you? (qualitative questions requiring more information and personal opinion of the customer)
4. Is the price of this product competitive?(yes /no quantitative questions)

(Try to use a combination of these questions)

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

What has this research shown you ?

3.5 Key findings from field research – test trading:

Lots of businesses look good on paper but the only test that matters is whether your product or services sells. Test trading allows you to practice whether you can do just that.

There are lots of places where you could test trade and some organisations will provide grants that you can use to buy equipment, materials or tools that will help you to test trade for a short time. You might want to rent a market stall for a short period to practise selling your product or introduce people to your service or going door-to-door with a sample of your product – you won't be able to take any money for your sample and will have to inform samplers if your product is food or drink that you can't take responsibility, for example, for any allergic reaction a taster might have

Model Answer: My items have not previously been sold but have been offered as gifts to others. The feedback is that the items are well made and of a good quality. The items made were longer than 2m so the feedback is that 2m would be sufficient as a standard length to drape on fire place or above a bed would be sufficient however Happy Birthday does require 2.5m of material so this would be reflected in the price.

A.1M2 Prepare an outline plan for a final micro-enterprise activity, giving some reasons for choice of final idea.

What were the reasons you choose this activity/product / service ?

Why do you think it will work?

What made you decide this option would work better than the others?

How did your market research help to inform your decision?



This links in with Component Three Promotion and finance think back to what you learnt in that unit

THEORY

Methods of communication with the customer:

Selection of methods, e.g. advertising, use of social media

You will need to consider different ways of communicating with your customers and using the most appropriate form of advertising to reach your target market. If you have an older market for example it may not be appropriate to advertise online as this is generally more appropriate for a younger target market, who tend to have access to social media.

Online Advertising (aka Digital)

If you see an advertisement via the internet, then it is classified as online advertising. There are many digital marketing strategies including placing ads on popular websites and social media sites such as facebook and twitter.

Google Adwords and Adsense

AdWords from Google allows companies to bid on the placement of an ad on Google's search engine results page. By using keywords or common search terms, searches that are related to the business and their products and services appear in the search results. For example, a company that advertises insurance will show up in any search queries for insurance products. The business pays Google if the ad is clicked on, which is why it's called a cost per click basis.

Mobile Advertising

A dominating force in digital advertising is through mobile devices such as phones, iPads, Kindles, and other portable electronic devices with internet connectivity. Current trends in mobile advertising involve major use of social media such as Twitter, Instagram, Snapchat, LinkedIn, and Facebook. Mobile advertising is similar to online advertising and is increasingly gaining importance as a method of reaching new customers.

Print Advertising

Once a huge driver of sales, print is taking a back seat to the many digital forms of advertising now available to marketers. However, if there is one thing that's certain about advertising, it's that being different is good. And when consumers tire of digital ads, a return to printed pieces and the tactile feeling and permanence they provide is definitely in the cards. Typically, print can be split into three subcategories:

- Magazine /newspapers
- Brochures, Leaflets, Flyers, Handouts, and Point-of-Sale Advertising

Direct Mail Advertising

Either of the techniques mentioned above can be incorporated into direct mail. It simply means that your printed pieces are mailed directly to the consumer. This is a technique that has been and continues to be, abused by inferior marketing agencies that have turned the craft into junk mail. If it is creative and intelligently conceived and executed, direct mail can be a fantastic way to engage the customer. Do not count it out.

Ambient media

ambient media (or marketing) has become prominent over the last 20 years. It is a broadly used term for anything unconventional and usually invites the consumer to participate or interact with the piece in some way. Location is important, as is timing. The driving forces behind guerrilla advertising or marketing are creative ideas and innovation, not a large budget. Quite often, you will ask for forgiveness rather than permission with these campaigns, and they will spread via word of mouth and social media.

Outdoor Advertising

Also known as out-of-home (OOH) advertising, this is a broad term that describes any type of advertising that reaches consumers when they are away from home. Think of billboards, bus shelter posters, fly posters.

Which of these do you think are most effective and why ?

Which methods do you think would be more suited to your original idea?

Cost effectiveness

It is important to make sure that your methods of promotion and advertising are cost effective.

THEORY

Here are some examples of advertising prices;

Method	Source	Price
Flyers - 1000 Flyers	https://www.leafletfrog.co.uk	£34.00
Newspapers - Quarter Page advert with Local Newspaper (with a readership of around 50,000)	http://dealwiththemedia.com	£800
Radio - a week-long campaign that uses a 30 second ad (minus production costs)	http://dealwiththemedia.com	£500

Which is more appropriate for your business and why ?

Can you think of examples of any local businesses that use any of these methods?

Are they effective?

Advertising your enterprise for free

THEORY

Social Networking

The advent of such websites as Facebook, Twitter and Instagram has expanded the concept of "word-of-mouth" advertising to a global scale. Instead of relying on a single conversation or a small group of friends around a table to spread a message, marketers can now promote their products and services on these websites. Visitors can "like" the product on Facebook, retweet a review on Twitter and post pictures on Instagram for the world to see.

Press Releases

Newspapers are great avenues for getting free exposure, but sending a press release just announcing a sale or new product line isn't enough. Ads disguised as press releases often are discarded, but creating a philanthropic event is an almost surefire way to get advance press and sometimes even coverage. Contact a local charity and suggest a partnership. Such events can also be promoted on local blogs and among both the business and the charity's social media followers.

Why do you think social media is so effective for free advertising?

How can you get publicity via press releases?



Design of promotional materials

It is important that your content is appropriate content this means it should be accurate, complete and the information included should be clear to your target market. The use of colour, visual features, images, logos, and text are also important.

There are a number of design programs you can use to create a flyer/advert including some free online programs google 'free flyer design.'

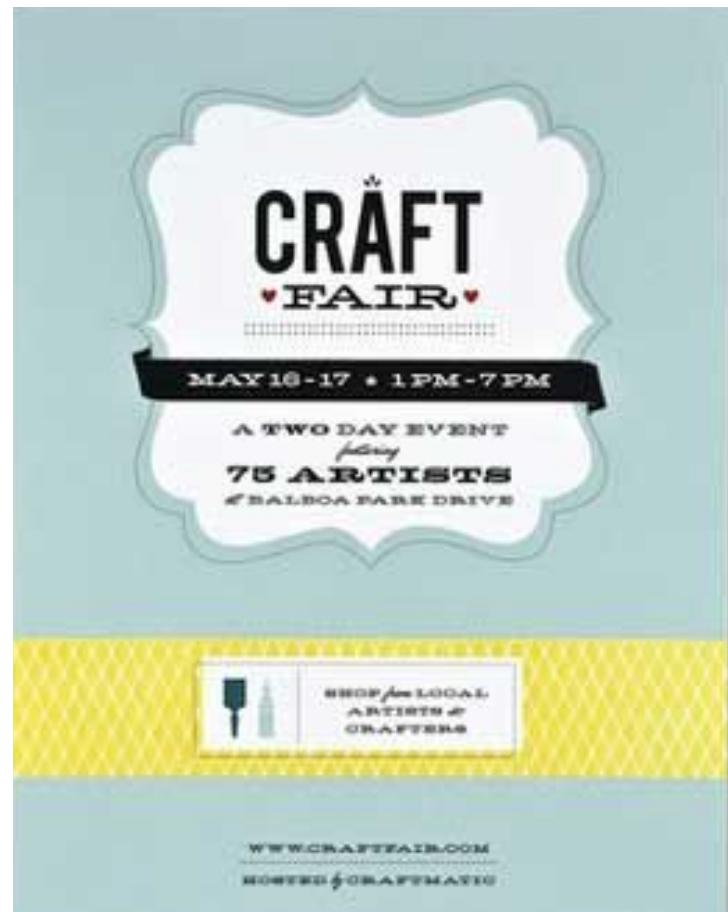
A few must-have design elements of a compelling flyer/advert include:

- Using high-quality images, especially for business logos
- A concise, but eye-catching headline
- A brief overview of the business, promotion, news, or event
- Fonts that empower your message, but are still readable

Adding a Call to Action

One of the most important parts of designing a flyer or sales slick is the call to action. Always include the most important details of your content. For instance, if you're promoting your next event, include the date, time, and partnership information on your flyer.

Do you think this flyer is well designed?



How could it be improved?

COURSEWORK TASK : NOW DESIGN YOUR OWN FLYER FOR YOUR ENTERPRISE

Resources required:

THEORY

Physical resources

You should consider the physical resources you will need to start your enterprise, including location, materials, equipment, fixtures and fittings, information technology, and stock.

Write a list of all of the resources you think you will need

Financial resources

Your financial resources includes sources of finance, start-up costs, running costs, production costs/cost of sales

What are the running costs?

What are cost of sales?

Give an example of cost of sales

Give an example of a start up cost:

Human resources,

Although you have already considered human resources you will also need to consider their skills and roles, and possible training and development needs.

Human Resources Needed	
Roles	
Skills	
Possible Training	

Risk assessment, and contingency plans, e.g.:

Some of the risks of opening an enterprise include;

- 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
- lack of customer interest.

Which of these do you think is most likely to affect your enterprise and why?

A.2D1 Prepare a comprehensive and realistic plan for a final micro-enterprise activity, supported by clear individual research.

A.2M1 Prepare a detailed, realistic and well-structured plan for a final micro-enterprise activity, giving detailed reasons for choice of idea supported by individual research.

A.2P2 Prepare a realistic plan for a final micro-enterprise activity, fully explaining reasons for choice of final idea.

Marketing strategy

What are you going to do?	Why have you chosen this marketing method?	How much will it cost?
Social media		
Posters		

Table of competitors

Name, location and business size	Product/service	Price	Strengths	Weaknesses

Operations and logistics

Production:

Do you need to make your item or will you buy it / provide a service?

If you are producing your item describe in detail how it will be produced

Timeline:

Activity	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6
Market Research / Questionnaires						

Payment methods and terms:

How will my customers pay? (Cash , card, paypal)

Will the payment be instant?

How will this support my aims and objectives?

Equipment

Item Required	Already owned or required?	If required		
		New/Second hand?	Purchased from	Price

Costs and pricing strategy

7.1 Start-up Costs

ITEM	Number required	Cost	Total Cost	Supplier (Website/ research info)
Total Start Up Costs				

7.3 Costs and Price per unit

How much will it cost to provide the goods or service?

What is the cost of the materials you will need to provide the goods or service?

How many units am i going to provide?

Calculate and comment on Unit Cost

(Unit Cost = Variable Costs + Fixed Costs / Total Units Produced)

Calculate and comment on Price per Unit

Calculate and comment on Profit Margin

(To find the margin, divide gross profit by the revenue. To make the margin a percentage, multiply the result by 100. If The margin is 25%. That means you keep 25% of your total revenue.)

7.4 Break even

Per event my fixed cost will be _____ for the stall. My selling price is going to be _____

I am going to calculate my break-even point for these items of stock using the formula and then I will know how many of these I need to sell.

I will use the variable cost of _____ as this includes a contingency just in case more are used should I make a mistake.

Break-even Point = fixed cost

selling price - variable cost

My break even point = _____

This means I will need to sell _____ to break even.

What are the benefits of calculating your break even point?

7.5 Sources of finance

(personal savings, loans from friends or family or a bank loan)

What sources of finance will you use?

Why is this best for your business?

Section eight

Financial forecast

Will there be sufficient cash to cover day to day expenses?

How do you know this?

What will your day to day expenses be?

Does the enterprise have the ability to break even ?

How do you know this?

Will the enterprise make a profit or a loss?

How do you know this?

How many sales do you expect to make?

How have you calculated this?

Risk Assessment

Risk 1 :

Why is this risk a threat to your enterprise?

How will you manage this risk ?

Risk 2 :

Why is this risk a threat to your enterprise?

How will you manage this risk ?

Risk 3 :

Why is this risk a threat to your enterprise?

How will you manage this risk ?

Checklist

	CRITERIA	COMPLETE?	Page No.
A.2D1	Prepare a comprehensive and realistic plan for a final micro-enterprise activity, supported by clear individual research.		
A.2M1	Prepare a detailed, realistic and well-structured plan for a final micro-enterprise activity, giving detailed reasons for choice of idea supported by individual research.		
A.2P2	Prepare a realistic plan for a final micro-enterprise activity, fully explaining reasons for choice of final idea.		
A.2P1	Describe three potential ideas for micro-enterprise activities obtained using market research.		
A.1M2	Prepare an outline plan for a final micro-enterprise activity, giving some reasons for choice of final idea.		
A.1M1	Outline three potential ideas for micro-enterprise activities, using market research.		
A.1P2	Prepare an outline plan for a final micro-enterprise activity.		
A.1P1	Identify three potential ideas for micro-enterprise activities, using market research.		