**Year 11 Business GCSE**

**Theme 2 Building a Business revision – Traffic light review**

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| **Traffic Light Review – Theme 2 revision** | **Very confident** | **Less so** | **Do this first!** |
| **Topic 2.1 Growing the business** | | | |
| **2.1.1 Business growth** | | | |
| Methods of business growth and their impact:  ● internal (organic) growth:   * new products (innovation, research and development) * new markets (through changing the marketing mix or taking advantage of technology and/or expanding overseas)   ● external (inorganic) growth:   * merger * takeover |  |  |  |
| The types of business ownership for growing businesses:  ● public limited company (plc) |  |  |  |
| Sources of finance for growing and established businesses:  ● internal sources:   * retained profit * selling assets   ● external source:   * loan capital * share capital, including stock market flotation (public limited companies) |  |  |  |
| **2.1.2 Change in business aims and objectives** | | | |
| Why business aims and objectives change as businesses evolve:  ● in response to:   * market conditions * technology * performance * legislation * internal reasons |  |  |  |
| How business aims and objectives change as businesses evolve:  ● focus on survival or growth  ● entering or exiting markets  ● growing or reducing the workforce  ● increasing or decreasing product range |  |  |  |
| **2.1.3 Business and globalisation** | | | |
| The impact of globalisation on businesses:  ● imports: competition from overseas, buying from overseas  ● exports: selling to overseas markets  ● changing business locations  ● multinationals |  |  |  |
| Barriers to international trade:  ● tariffs  ● trade blocs |  |  |  |
| How businesses compete internationally:  ● the use of the internet and e-commerce  ● changing the marketing mix to compete internationally |  |  |  |
| **2.1.4 Ethics, the environment and business** | | | |
| The impact of ethical and environmental considerations on businesses:  ● how ethical considerations influence business activity: possible trade-offs between ethics and profit  ● how environmental considerations influence business activity: possible trade-offs between the environment, sustainability and profit  ● the potential impact of pressure group activity on the marketing mix |  |  |  |
| **Topic 2.2 Making marketing decisions** |  |  |  |
| **2.1.1 Product** | | | |
| The design mix:  ● function, aesthetics, cost  The product life cycle:  ● the phases of the product life cycle  ● extension strategies  The importance to a business of differentiating a product/ service |  |  |  |
| **2.2.2 Price** | | | |
| ● pricing strategies  ● influences on pricing strategies:   * technology * competition * market segments * product life cycle |  |  |  |
| **2.2.3 Promotion** | | | |
| ● appropriate promotion strategies for different market segments:   * advertising * sponsorship * product trials * special offers * branding   ● the use of technology in promotion:   * targeted advertising online * viral advertising via social media * e-newsletters |  |  |  |
| **2.2.4 Place** | | | |
| ● methods of distribution: retailers and e-tailers (e-commerce). |  |  |  |
| **2.2.5 Using the marketing mix to make business decisions** | | | |
| How each element of the marketing mix can influence other elements.  Using the marketing mix to build competitive advantage  How an integrated marketing mix can influence competitive advantage |  |  |  |
| **Topic 2.3 Making operational decisions** | | | |
| **2.3.1 Business operations** | | | |
| The purpose of business operations:  ● to produce goods  ● to provide services |  |  |  |
| Production processes:  ● different types:   * job * batch * flow   ● the impact of different types of production process: keeping productivity up and costs down and allowing for competitive prices |  |  |  |
| Impacts of technology on production:  ● balancing cost, productivity, quality and flexibility. |  |  |  |
| **2.3.2 Working with suppliers** | | | |
| Managing stock:  ● interpretation of bar gate stock graphs  ● the use of just in time (JIT) stock control. |  |  |  |
| The role of procurement:  ● relationships with suppliers:   * quality * delivery (cost, speed, reliability) * availability * cost * trust   ● the impact of logistics and supply decisions on:   * costs * reputation * customer satisfaction |  |  |  |
| **2.3.3 Managing quality** | | | |
| The concept of quality and its importance in:  ● the production of goods and the provision of services: quality control and quality assurance  ● allowing a business to control costs and gain a competitive advantage |  |  |  |
| **2.3.4 The sales process** | | | |
| The sales process:   * product knowledge * speed and efficiency of service * customer engagement * responses to customer feedback * post-sales service   The importance to businesses of providing good customer service |  |  |  |
| **Topic 2.4 Making financial decisions** | | | |
| **2.4.1 Business calculations** | | | |
| The concept and calculation of:  ● gross profit  ● net profit |  |  |  |
| Calculation and interpretation of:  ● gross profit margin  ● net profit margin  ● average rate of return |  |  |  |
| **2.4.2 Understanding business performance** | | | |
| The use and interpretation of quantitative business data to support, inform and justify business decisions:  ● information from graphs and charts  ● financial data  ● marketing data  ● market data |  |  |  |
| The use and limitations of financial information in:  ● understanding business performance  ● making business decisions |  |  |  |
| **Topic 2.5 Making human resource decisions** | | | |
| **2.5.1 Organisational structures** | | | |
| Different organisational structures and when each are appropriate:  ● hierarchical and flat  ● centralised and decentralised |  |  |  |
| The importance of effective communication:  ● the impact of insufficient or excessive communication on efficiency and motivation  ● barriers to effective communication |  |  |  |
| Different ways of working:  ● part-time, full-time and flexible hours  ● permanent, temporary, and freelance contracts  ● the impact of technology on ways of working: efficiency, remote working |  |  |  |
| **2.5.2 Effective recruitment** |  |  |  |
| Different job roles and responsibilities:  ● key job roles and their responsibilities:   * directors * senior managers * supervisors/team leaders * operational and support staff |  |  |  |
| How businesses recruit people:  ● documents:   * person specification and job description * application form * CV   ● recruitment methods used to meet different business needs (internal and external recruitment) |  |  |  |
| **2.5.3 Effective training and development** |  |  |  |
| How businesses train and develop employees:  ● different ways of training and developing employees:   * formal and informal training * self-learning * ongoing training for all employees * use of target setting and performance reviews |  |  |  |
| Why businesses train and develop employees:  ● the link between training, motivation and retention  ● retraining to use new technology |  |  |  |
| **2.5.4 Motivation** |  |  |  |
| The importance of motivation in the workplace:  ● attracting employees, retaining employees, productivity. |  |  |  |
| How businesses motivate employees:  ● financial methods:   * remuneration * bonus * commission * promotion * fringe benefits   ● non-financial methods:   * job rotation * job enrichment * autonomy |  |  |  |