**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
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| 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)
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| **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, costThe product life cycle:● the phases of the product life cycle● extension strategiesThe 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 advantageHow 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
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| **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
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