

Unit 1: The Business Environment

Unit code:	Y/502/5408
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

The aim of this unit is to give learners the fundamental knowledge of a range of business organisations, and the many factors that shape the nature of organisations operating in an increasingly complex business world.

● Unit introduction

Learners new to the studying of business will already be familiar with organisations through having dealt with them as customers or employees. One of the aims of this unit is to help learners to build on these experiences and learn to 'walk in the shoes' of owners, stakeholders and managers of organisations.

The unit introduces learners to a range of business activities. They will consider the purposes of different organisations and the influence of stakeholders and how businesses organise themselves through strategic planning and organisational structures.

Learners will then explore the dynamic nature of organisations through studying the impact of external (political, legal and social) influences on business operations.

Next, they will study the fundamental economic principles that impact on businesses.

By studying two different business environments learners will gain some insight into how businesses operate in different parts of the world and how the development of a global marketplace impacts on all businesses.

● Learning outcomes

On completion of this unit a learner should:

- 1 Know the range of different businesses and their ownership
- 2 Understand how businesses are organised to achieve their purposes
- 3 Know the impact of the economic environment on businesses
- 4 Know how political, legal and social factors impact on business.

Unit content

1 Know the range of different businesses and their ownership

Range of different businesses: local; national; international; global; public; private; not-for-profit/voluntary; sectors of business activity (primary, secondary and tertiary)

Business purposes: supply of products or services; difference between profit and not-for profit organisations

Ownership: public, private and voluntary sectors; types of ownership (sole trader, partnerships, private and public limited companies, government departments, government agencies, worker cooperatives, charitable trusts); main implications of different types of ownership on businesses (extent of liability, limitations to operation for public and charitable organisations)

Key stakeholders: customers; employees; suppliers; owners; trade unions; employer associations; local and national communities; governments; influence of stakeholders on organisations

2 Understand how businesses are organised to achieve their purposes

Organisational structures: purpose (division of work, lines of control and communication); types of structure (functional, geographic, product, type of customer); diagrammatic representation of structure (organisation charts); span of control

Functional area: finance; marketing; production; customer service; sales; human resources.

Strategic planning: mission and values; development of strategic aims and objectives; cascading of objectives throughout the organisation; strategic planning process; use of SMART (specific, measurable, achievable, resourced, time-bound) objectives

Influencing factors: stakeholders; business environment; business type and ownership.

Different aims: private sector aims (breakeven, survival, profit maximisation, growth); public sector aims (service provision, cost limitation, value for money, meeting government standards, growth of range of provision)

3 Know the impact of the economic environment on businesses

Economic: importance of stability; impact on business of changes in the economic environment (growth, recession, ripple effect); levels of inflation; availability and cost of credit; labour; changes in government policy (legal, fiscal, monetary)

Demand: influenced by affordability; competition; availability of substitutes; level of Gross Domestic Product (GDP); needs and aspirations of consumers

Supply: Influenced by availability of raw materials and labour; logistics; ability to produce profitably; competition for raw materials; government support

Changes in supply and demand: supply and demand curves; elasticity of demand; price sensitivity; influence of branding on price sensitivity

Global interaction: levels and types of interdependence (supply chains, ownership of businesses, movement of capital and business operations, reducing ability of national governments to regulate global businesses)

4 Know how political, legal and social factors impact on businesses

Political: political stability; government support for different types of organisations eg private, voluntary, public; fiscal eg levels and types of taxation; direct support eg grants, loans; providing infrastructure eg transport; internet; enhancing skills of the working population eg education, training, research; organisations to support businesses eg Business Link; membership of international trading communities eg European Union

Legal: providing framework for business eg company law; protecting consumers and employees eg contract law, employment law, consumer protection; ensuring fair and honest trading eg competition law.

Social: demographic issues eg population growth or decline; changes in structure eg ageing; households and families; education; attitude to work; religions; attitudes to male and female roles; ethics

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe the type of business, purpose and ownership of two contrasting businesses [RL]		D1 evaluate the influence different stakeholders exert in one organisation [IE]
P2 describe the different stakeholders who influence the purpose of two contrasting businesses [CT]	M1 explain the points of view of different stakeholders seeking to influence the aims and objectives of two contrasting organisations	
P3 describe how two businesses are organised [IE]		
P4 explain how their style of organisation helps them to fulfil their purposes		
P5 describe the influence of two contrasting economic environments on business activities within a selected organisation	M2 compare the challenges to selected business activities within a selected organisation, in two different economic environments [IE]	
P6 describe how political, legal and social factors are impacting upon the business activities of the selected organisations and their stakeholders.	M3 analyse how political, legal and social factors have impacted on the two contrasting organisations.	D2 evaluate how future changes in economic political, legal and social factors, may impact on the strategy of a specified organisation.

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

Key	IE – independent enquirers CT – creative thinkers	RL – reflective learners TW – team workers	SM – self-managers EP – effective participators
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Essential guidance for tutors

Delivery

No previous knowledge of business is assumed and learners can use their experiences as customers, users and part-time employees as a starting point. This will give learners a real-life view of business. In this unit business activity should be interpreted as the provision of service, including public and voluntary sector activity alongside commercial activity. Learners will find examples of the organisational activity mentioned in their local area and may learn effectively through enquiring about these organisations. The unit may be introduced by considering the range of businesses that lie at the heart of learners' communities.

Learners should then explore the different types of ownership of businesses and how its ownership inevitably influences the nature of a business. At this stage, it is important that learners gain a clear picture of the main difference and types of ownership as a basis for more detailed study in other units. Learners then investigate other stakeholders. This could be linked with any local issues over proposed changes or developments, such as a proposed new airport runway or changes in the provision of health services.

In learning outcome 2, learners need to examine how organisations use structures and strategic planning to achieve their purposes. When selecting case-study material care should be taken to ensure that it includes the key functional areas listed in the unit content. For strategic planning learners could start by investigating their own school or college's strategic plan, perhaps supported by a talk from a visiting governor who could explain the planning process and what internal and external pressures influenced the plan. Learners could check objectives to see if they are SMART. Learners could undertake an activity where they are given some basic facts about a proposal for an organisation and have to design an organisational structure, write a mission statement and set strategic objectives.

In delivering learning outcome 3, which introduces the learners to the basic principles of economics, there will need to be some delivery of theory but the focus should be on how the economic environment affects different businesses. As assessment requires the comparison of two contrasting economic environments in the UK and abroad

For delivery of learning outcome 4, the links used for learning outcome 3 could be continued. This could involve the use of two UK based companies taking account of the impact that globalisation has on their activities. Alternatively, use could be made of any established links with countries in different regions either at institutional level or town/city level. Learners should compare and contrast the political and social environment in two different places so as to gain an understanding of the importance of these factors. They will need information on 'doing business' in another country, perhaps through a guest speaker, learner to learner links, DVDs, publications, visit or internet research.

Learners should be introduced to the basic principles of business law and its importance in providing a framework in which businesses operate. The precise content for the different aspects of law can be chosen and there is no expectation that learners will have a comprehensive knowledge of specific legislation.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to unit and programme
Group activity exploring purposes and ownership of a range of local businesses
Ownership and liability issues – whole group
Visit to organisation to carry out research for first assignment
Assignment 1: Two Businesses on our Doorstep – report on two contrasting businesses (one business selected by a group, the other an individual choice)
Organisational structures – whole group – charts drawn for familiar organisation
Strategic planning – case study or business game
Political issues – study of topical political issues and their potential impact on business operations through a visitor, visit, video materials or case study
Group exercise to identify current issues and to assess their potential impact
Legal issues – whole group – outline of business related law
Case studies of legal cases – small group exercises
Social issues – whole group – outline of social issues
Social issues – small group exercise. Each group to research one social issue such as demographics, education, gender etc and to report back to the whole class
Pair exercises on impact of social issues on different businesses (drawing on information gathered during previous exercise)
Economic issues – whole group
Supply demand business game
Small-group exercises on impact of economic changes on selected businesses (some research)
Pair exercise in following through global interdependencies for one business
Assignment 2: Similar Businesses in Different Worlds (feasibility study of two different markets for a business)
Tutorial support and feedback
Supervised assignment work
Non-supervised study time and completion of assignments

Assessment

This is an introductory unit and most groups of learners would benefit from a staged approach to assessment, with several small assignments rather than one large one.

It is important that suitable organisations are chosen for investigation, so that learners can acquire the information they need to achieve the assessment criteria.

For the first two learning outcomes the selected business organisations should include both profit and not-for-profit sectors and some variation in size. Learners responses to P1 should include an accurate, but not necessarily detailed statement, as to the extent of owners liability for debts. For P2 learners should describe each of the different types of stakeholders listed in the unit content for their selected organisations. For P3, learners should describe both the organisational structure with functional areas, and how the organisation makes strategic plans. For P4, learners should explain how the organisational structure and strategic planning help the businesses to achieve their purpose and aims.

For M1 learners explain the points of view of the different stakeholders and link the points of view with the aims and objectives of each organisations.

For D1 learners should evaluate the influence exerted by the different types of stakeholders for one organisation. As an evaluation this should go beyond stating an opinion and include higher level skills such as using evidence from different sources and assessing the validity of the evidence.

For learning outcome 3, the selected organisation(s) need to encompass different economic environments. This could be through using one organisation and two different phases in the economic cycle or using two organisations operating in different economic environments, perhaps in different parts of the world.

For P5, learners should include descriptions of at least two economic topics.

In M2, P5 is developed further to compare the challenges to selected business activities in two different economic environments.

For D2, learners should build on M2 and evaluate the responsiveness of an organisation to different economic environments. The advice given for D1 on the assessment of 'evaluate' applies equally to this criterion.

For learning outcome 4, there are two options. The first is to select one business that has operations in two different business environments such as a UK-based business that has a call centre in the Indian sub-continent. Alternatively, one business can be selected from each of two different business environments. Greater differences in political and social environments are likely to be more interesting for learners. However it could be possible to use different countries in Europe and for some industries the differences between different countries in the UK could be explored, so long as the differences are sufficient to create different business environments.

For P6, learners could describe the influence of two different political environments which should include aspects, selected for their relevance, from the topics listed under both political and legal sub-headings in the *Unit content*. Business activities can be read as any activities carried out by the organisation to achieve its purposes. Examples include recruitment of staff, product design, transport of goods, promotion of products etc. Learners need to explain the influence of two different social environments on the business activities of the organisation(s). Learners could select at least three of the most influential social features from each environment rather than attempting to explain the impact of a large range of social features.

To achieve M3, learners should build on P6 to explain how the organisation (s) has adapted their activities to suit different business environments. Learners are not required to explain all activities comprehensively but should select at least three activities that have been adapted because of the political, legal and social aspects of the business environment.

For D2, learners should develop their work from M3 and make justified recommendations for the development of business activities in the two different business environments.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the assessment and grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
PI, 2, 3, 4, MI, DI	Two Businesses on our Doorstep.	You work as a junior journalist for the local newspaper which is planning to run a feature article on local businesses.	Produce an article on two local, contrasting businesses covering purpose, ownership, organisational structure and strategic planning.
P5, 6, M2, M3, D2	Similar Businesses in Different Worlds.	The first article was well received and you have been asked to carry out research for another article featuring two businesses – one local and one in your town's twinned town in China.	Select one business in your local town and another in a town or city in China. Produce an article describing how the political, legal, social and economic business environments affect each of the selected businesses.

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Business sector suite. This unit has particular links with the following unit titles in the Business suite:

Level 2	Level 3
Business Purposes	Business Resources
Business Organisations	Introduction to Marketing
	Business Communication
	Business and the Economic Environment
	International Business
	Business Markets and the Economy

Essential resources

For this unit learners should have access to a suitable business teaching environment with access to the internet to carry out research. Tutors may consider building a bank of resource materials to ensure there is a sufficient supply of relevant information across a range of business types and sectors.

Learners can generate evidence from a work placement or work experience. Other learners may have access to information from family owned and run businesses.

Employer engagement and vocational contexts

Centres should develop links with local businesses. Many businesses and chambers of commerce want to promote local business and are often willing to provide work placements, visit opportunities, information about businesses and the local business context and visiting speakers.

www.businessbritainuk.co.uk Provides information about business in Britain and has extensive links to other business and business news sites.

www.fsb.org.uk The Federation of Small Businesses provides information, support and guidance about small businesses in the UK.

Many businesses provide information about themselves. For example, Unilever, can be found at: www.unilever.co.uk.

Indicative reading for learners

Textbooks

Bevan J, Dransfield R, Coupland-Smith H, Goymer J and Richards C – *BTEC Level 3 National Business Student Book 1* (Pearson, 2009) ISBN 9781846906343

Bevan J, Goymer J, Richards C and Richards N – *BTEC Level 3 National Business Student Book 2* (Pearson, 2009) ISBN 9781846906350

Coupland-Smith H and Mencattelli C – *BTEC Level 3 National Business Teaching Resource Pack* (Pearson, 2009) ISBN 9781846906367

Dransfield and Needham – *GCE AS level Business* ISBN 0435401149

Jewell B – *An Integrated Approach to Business Studies* (Longman, 2000) ISBN 0582405424

Letts – *Revise AS Business Studies* (Letts Educational Ltd, 2004) ISBN 1843154242

Marcouse, Surridge, Watson and Swift – *Business Studies for A level* (Hodder, 2008) ISBN 0340966904

Marcouse I and Lines D – *Business Case Studies, AS and A Level, 3rd Edition* (Longman, 2002) ISBN 0582406366

Palmer and Hartley – *The Business Environment* (McGraw-Hill, 2006) ISBN 0077109902

Worthington and Britton – *The Business Environment* (Financial Times/Prentice Hall, 2006) ISBN 0273704249

Journals

Business Review Magazine (Phillip Allan Publishers – see www.phillipallan.co.uk)

The Economist (The Economist Newspaper Group Inc)

Newspapers

Quality newspapers – especially the business sections

Websites

www.bbc.co.uk/business	BBC News website
www.bbc.co.uk/news	BBC Business website
www.becta.org.uk	British Educational Communications and Technology Agency
www.bized.ac.uk	Business education website including learning materials and quizzes
www.careers-in-business.com	Information on a variety of business careers
www.carol.co.uk	Online company annual reports
www.direct.gov.uk	Gateway to public services
www.fenc.org.uk	Products and services for organisations involved in education
www.eubusiness.com	Online business information service about the European Union
www.examtutor.com/business	Support for teachers and students
www.jisc.org.uk	Joint Information Systems Committee (guidance and advice for further and higher education)
www.lsda.org.uk	Learning and Skills Development Agency
www.learnthings.co.uk	Learnthings – providers of interactive digital resources
www.nln.ac.uk	National Learning Network
www.projectalevel.co.uk	Project A Level – revision resources for learners
www.rdn.ac.uk/news/headlines	Resource Discovery Network – a gateway to internet resources for learning, teaching and research
www.s-cool.co.uk	A-level and GCSE revision material
www.statistics.gov.uk	Official UK statistics
www.thetimes100.co.uk	Free materials and case studies

Broadcasts

The following programmes often include business items:

The Money Programme BBC2 (weekly)

Working Lunch BBC2 (daily)

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
Independent enquirers	investigating the ownership and objectives of business organisations
Creative thinkers	generating ideas about the links between the different functional areas in business organisations describing how work in different areas of organisations supports business purposes
Reflective learners	reflecting on the impact of economic and external factors on business.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
Independent enquirers	planning and carrying out research into the different types of organisation planning and carrying out research into the aims of organisations
Creative thinkers	looking at how different functional areas fit together in organisations to ensure business purposes are met adapting their skills as circumstances change
Reflective learners	setting goals for researching businesses with success criteria inviting feedback on their own work and dealing positively with praise, setbacks and criticism evaluating their experiences and learning to inform progress
Team workers	working in a group to discuss ideas about functional areas and prepare materials for presentations taking responsibility for their own role managing activities to reach agreements and achieve results
Self-managers	seeking out challenges or new responsibilities and showing flexibility when priorities change dealing with competing pressures, including personal and work-related demands responding positively to change, seeking advice and support when needed
Effective participators	taking part in group activities, working with colleagues, supervisors and managers.

● Functional Skills – Level 2

Skill	When learners are ...
ICT – Use ICT systems	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	researching organisations and their structures
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	tabulating information about organisations
ICT – Find and select information	
Select and use a variety of sources of information independently for a complex task	finding illustrative materials for presentations and tabulations about organisations creating diagrams, presentations and tabulations about the functional areas in businesses
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	exploring, extracting and assessing the relevance of information from websites about business organisations
ICT – Develop, present and communicate information	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> • text and tables • images • numbers • records 	bringing together a variety of materials gathered through research preparing information to present to others about business organisations
Bring together information to suit content and purpose	
Present information in ways that are fit for purpose and audience	
Evaluate the selection and use of ICT tools and facilities used to present information	
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	communicating with other members of a group
Mathematics	
Understand routine and non-routine problems in a wide range of familiar and unfamiliar contexts and situations	using numerical data in relation to business objectives that are in SMART terms
Identify the situation or problem and the mathematical methods needed to tackle it	
Select and apply a range of skills to find solutions	
Use appropriate checking procedures and evaluate their effectiveness at each stage	
Interpret and communicate solutions to practical problems in familiar and unfamiliar routine contexts and situations	
Draw conclusions and provide mathematical justifications	

Skill	When learners are ...
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	<p>doing group work investigating organisations and their structure</p> <p>working with others in investigating businesses (employees, colleagues, tutors, class mates)</p> <p>attending team meetings</p> <p>making presentations about organisations</p>
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	<p>reading about organisations, their purposes and structures</p> <p>reading about organisations to obtain data to facilitate comparing businesses</p>
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	<p>writing materials to provide information about organisations</p> <p>producing labelled charts and diagrams showing the structure of organisations and the links between sections within organisations.</p>

Unit 2: Business Resources

Unit code:	D/502/5409
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

The aim of this unit is to develop learner knowledge of the range of human, physical, technological and financial resources required in an organisation, and how the management of these resources can impact on business performance.

● Unit introduction

At the core of every organisation are the human, physical, technological and financial resources that enable it to function. This unit will give learners a broad understanding of the importance organisations place on managing their resources efficiently in order to achieve their objectives. It is important that learners are able to relate their understanding of resource management to a real organisation. This will provide an essential link between theory and practice.

Understanding how these resources are managed is one of the keys to assessing how well the organisation is performing. The first part of this unit explores the range of human, physical and technological resources for a selected organisation. Learners will investigate the importance of managing these resources efficiently. The contribution that recruiting and retaining suitable staff can make to the organisation's performance is examined. The importance of managing the organisation's physical and technological resources efficiently is also explored.

For an organisation to survive its finances need to be sound and secure. The second part of the unit explores the sources of financial resources available to organisations. The level of an organisation's performance can be seen in its financial statements. The unit aims to develop knowledge and understanding of the financial statements and it underpins other financial units in the qualification. This part of the unit focuses on the interpretation and analysis of financial documents in order to highlight the need for the monitoring and control of costs and budgets. It is important that learners appreciate that poor management of resources can have a negative impact on an organisation's performance.

● Learning outcomes

On completion of this unit a learner should:

- 1 Know how human resources are managed
- 2 Know the purpose of managing physical and technological resources
- 3 Know how to access sources of finance
- 4 Be able to interpret financial statements.

Unit content

1 Know how human resources are managed

Human resources: staffing to meet changing business demands; coordination of team resources to meet targets; monitoring of team performance; liaison with other departments; establishment of professional culture eg levels of formality, separation of professional from private activities; provision of appropriate incentives; encouraging creativity and initiative; outsourcing versus in-house decisions

Maintenance of operation: adequate resources to meet tasks eg staffing, equipment, working capital, facilities, administration; monitoring; troubleshooting and problem solving

Human resources: recruitment and retention; suitably skilled staff; contracts of employment; job descriptions

Employability skills: suitable qualifications; experience in similar role; knowledge of products/services; experience of specific industry; effectiveness in meeting personal and team/departmental targets; ability to observe and raise professional standards of production/service delivery

Personal skills: patient; hardworking; able to work as part of a team; good interpersonal skills; cooperating with others eg line managers, colleagues; negotiation eg in seeking agreements, resolving conflicts, agreeing targets, agreeing budgets; interviewing skills

2 Know the purpose of managing physical and technological resources

Physical resources: buildings and facilities; materials and waste; plant and machinery; equipment including ICT; planned maintenance and refurbishment; emergency provision; insurance; security

Technological resources: intellectual property eg designs, drawings, text, music, video; accumulated experience and skills; software licences; protection via patents and copyrights

3 Know how to access sources of finance

Internal sources: owner's savings; capital from profits

External sources: banks eg overdraft, business loan, commercial mortgage, venture capital, hire purchase, leasing, factoring, share issues

4 Be able to interpret financial statements

Costs and budgets: costs managed to budget (fixed costs/variable costs, monitoring budgets and variances); breakeven; bidding to increase future resources eg capital grants, investment; provision of appropriate liquidity/working capital; provision of appropriate reserves to address emergencies/crises

Financial statements: profit and loss (purpose and use, measure of trading performance, establishing profit figures) and balance sheet (purpose and use, establishing net worth, business valuation)

Basic ratios: to determine solvency eg current ratio, acid test ratio; to determine profitability eg gross profit percentage; net profit percentage; return of capital employed; to determine performance eg stock turnover, debtors' collection period, asset turnover

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe the recruitment documentation used in a selected organisation	M1 explain how the management of human, physical and technological resources can improve the performance of a selected organisation	D1 evaluate how managing resources and controlling budget costs can improve the performance of a business
P2 describe the main employability, personal and communication skills required when applying for a specific job role [RL]	M2 assess the importance of employability, and personal skills in the recruitment and retention of staff in a selected organisation	
P3 describe the main physical and technological resources required in the operation of a selected organisation		
P4 describe sources of internal and external finance for a selected business		
P5 interpret the contents of a trading and profit and loss account and balance sheet for a selected company [IE]	M3 interpret the contents of a trading and profit and loss account and balance sheet for a selected company explaining how accounting ratios can be used to monitor the financial performance of the organisation	D2 evaluate the adequacy of accounting ratios as a means of monitoring the state of the business in a selected organisation, using examples

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P6 illustrate the use of budgets as a means of exercising financial control of a selected company	M4 analyse the reasons why costs need to be controlled to budget.	D3 evaluate the problems they have identified from unmonitored costs and budgets.
P7 illustrate the financial state of a given business.		

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

Key	IE – independent enquirers CT – creative thinkers	RL – reflective learners TW – team workers	SM – self-managers EP – effective participators
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Essential guidance for tutors

Delivery

This unit is an introduction to the ways in which human, technological and physical resources are important to an organisation and how the management of these resources impacts on the performance of the business. Learners will need to be aware of the importance of recruiting and retaining suitable staff. However, the unit is only concerned with the paperwork involved in the recruitment of staff. Other aspects of the process are considered in more detail in the *Unit: Investigating Recruitment and Selection*.

A study of how organisations are run can be useful. If a supermarket shelf is empty, it could be because the item is unavailable from the supplier; it was not ordered, or there is a shortage of supermarket staff. Other relevant examples include people visiting an electrical shop and requesting help or information about an item they want to buy. They could find that they are unable to attract a salesperson's attention because they are busy or avoiding work by talking to a colleague. They may also find that even when they get hold of a member of staff, they are unable to answer their questions. This could initiate a discussion about suitability of staff. Management of business resources, such as facilities and technology, may be introduced at this point as learners need to be aware that organisations need suitable buildings, facilities and equipment. This can be covered by case studies and a visit to a local organisation. Many organisations have changed the way they work due to evolving technology. They need staff that can set up and maintain computer networks, and work areas need to be suitable for computer set-ups. In recent years, supermarkets have been changing over to using bar code readers at tills, which is quicker than having to tap in numbers or prices. This has led to differently designed till areas and work patterns. Staff now need to be trained to keep an eye on how quickly the food is stacking up at the other end of the conveyor belt and sometimes need to slow down a little to avoid overloading the customer areas. Companies also now need to be aware of the need to protect electronic works, for example music and video, via copyrights and patents.

The unit provides an opportunity for learners to consider the availability of internal and external sources of finance for a business. Learners should be encouraged to obtain information from banks (either in person or online) or via websites concerning overdrafts, business loans, mortgages, etc. The unit also provides an early introduction to the importance of managing budgets. Learners can draw on their own experiences to look at how they manage their own finances. They can easily identify sources of their own income and consider how they decide what is available for food, transport, clothes, etc. This can then be extended to a small business exercise. Learners could work in groups to look at starting a small business, its start-up costs and work out a budget. Alternatively, learners could be given a business scenario and allocated a particular budget. Over time, they could be given items that must be covered by this budget and make decisions on how it is to be handled.

Learners need to study the purpose and use of financial statements. Learners must understand the purpose of all items included in these statements and should understand how the items are calculated. This knowledge can be gained by looking at ready-prepared statements. With the use of spreadsheet templates, learners could also support and help in the preparation of these documents.

Another important aspect of financial management involves determining the solvency and profitability of companies by using accounting ratios. These may be introduced as early warning signs of trading difficulty. These ideas may be applied to case studies, and real business accounts may be adapted and simplified to offer comparisons and allow calculation of key ratios. Skills could also be developed by using the spreadsheet template, which could calculate ratios automatically.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to unit and structure of the programme. Whole class
Overview of employability, personal and communication skills. Whole class
Assignment 1: Recruiting and Retaining the Right People
Introduction to the assignment. Whole class
Individual activity:
<ul style="list-style-type: none">• research into selected organisation's staff profile• analysis of skill requirements• production and completion of recruitment documents
Introduction to physical and technological resources. Whole class
Assignment 2: The Impact of Non-Financial Resources
Introduction to the assignment. Whole class
Group research:
<ul style="list-style-type: none">• to identify resources• analyse the ways in which management of resources impacts on the organisation• assessment of the effectiveness of methods of managing resources
Group presentation
Preparing group presentation
Giving group presentation
Overview of financial resources. Whole class
Assignment 3: The Role of Financial Resources
Introduction to the assignment. Whole class
Tutor input:
<ul style="list-style-type: none">• costs• budgets• profit and loss account• balance sheets• accounting ratios
Practice exercises – learners complete individually:
<ul style="list-style-type: none">• feedback on exercises. Whole class and individually• learners write up their report individually
Supervised assignment work
Non-supervised study time and completion of assignments

Assessment

For P1 and P2, learners, describe the recruitment documentation for a specified job role. They start by identifying a particular job role and obtaining application forms and job description. They then draw up a list of the requirements for the post and describe the attributes they already possess or expect to possess by the end of the course.

For P3, learners should be aware of the main physical and technological resources required for the operation of a selected business. If the school or college is used as the business, classrooms and computer suites would be obvious examples.

For P4, the range of internal and external sources of finance should be more than just a list. The sources should be relevant to the selected business

For P5, learners should be given statements and be able to provide a brief written interpretation of the key elements of the trading and profit and loss account and the balance sheet, explaining the purpose of each element.

For P6, learners should be able to use break-even charts. They could be presented with a budget that has not been managed properly and identify the problems and suggest remedies.

For P7 learners should be able to use accounting ratios to show the financial state of a given business

For M1, learners should be able to show their understanding of how resources are managed by explaining how good management of human, physical and technological resources can improve the performance of the selected organisation.

For M2, learners should assess the importance of employability and personal skills to the selected organisation when they are recruiting new staff and attempting to retain existing staff. It is important that learners are able to link this assessment to their selected organisation. This may involve the selecting key skills that are most appropriate to the needs of the organisation

For M3, learners will extend their answer to P7, demonstrating that they can apply the use of various financial ratios. They should show the formulae of the ratios and their workings to demonstrate how they have arrived at their answer.

For M4, learners should show an awareness of the problems that can arise if costs are not controlled to budget. This can be demonstrated by looking at a given scenario and breaking down the various elements of the budget to determine why it is overspent and by identifying the problems that this will create for the selected organisation.

For D1, learners should assess the relative merits of the methods of the managing resources and to make judgements on the effectiveness of these methods in improving the performance of the selected business

For D2, learners will be expected to provide additional knowledge and understanding about accounting ratios. They would be expected to provide judgements about the sufficiency of ratios as a measure of how well a company is performing.

For D3, learners will build on the evidence provided for M4. They will evaluate the problems they have identified from poorly controlled budgets by looking at the potential consequences for organisation arising from the budget variances.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the assessment and grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, M2, D2	Recruiting and Retaining the Right People.	Brief from the HR manager asking for a leaflet describing the benefits of managing human resources and explaining the importance they place on staff having the employability, personal and communication skills which meet the company's needs. Completion of documentation for a specific job role.	Leaflet on the purpose of HR management and the importance of employing staff with the range of skills the company needs. Learners complete recruitment documentation for a specified job role. They start by identifying a particular job role and obtaining application forms and job description. They then draw up a list of the requirements for the post and describe the attributes they already possess or expect to possess by the end of the course.
P3, M1, D1	The Impact of Non-Financial Resources.	Working in a small group, select an organisation and investigate how the physical, technological and human resources can impact on the company's performance.	Group presentation on the main resources used by an organisation and the importance of managing these resources effectively.
P4, M4, P5, P6, P7, M3, D3	The Role of Financial Resources.	Learners interpret a given set of financial information on a selected organisation.	Report back to stakeholders on how financial resources impact on the performance of the business.

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Business sector suite. This unit has particular links with the following unit titles in the Business suite:

Level 2	Level 3
Business Purposes	The Business Environment
Financial Forecasting for Business	Business Accounting
People in Organisations	Accounting Systems
	Human Resource Management in Business
	Training in the Business Workplace
	Managing Physical Resources in a Business Environment

It is suggested that this unit should be completed before starting the Unit, Business Accounting.

This unit also links to the following draft National Occupational Standards in Accounting (February 2009), particularly PSI and PS2.

Business and Administration NOS, particularly Unit 303.

Employer engagement and vocational contexts

For this unit learners should select an organisation and research the resources used by that organisation. Visiting speakers from local organisations would provide learners with a wider understanding of the range of resources that are used and managed in different sectors. Visits to organisations to observe at first hand how resources are utilised would complement the input from visiting speakers. Centres should develop links with local businesses. Many businesses and chambers of commerce want to promote local business so are often willing to provide work placements, visit opportunities, information about businesses and the local business context, and visiting speakers.

businessbritainuk.co.uk/ Provides information about business in Britain and has extensive links to other business and business news sites.

www.fsb.org.uk/default The Federation of Small Businesses provides information support and guidance about small businesses in the UK.

Many businesses provide information about themselves. For example, Unilever, can be found at: www.unilever.co.uk.

Indicative reading for learners

Textbooks

Bevan J, Dransfield R, Coupland-Smith H, Goymer J and Richards C – *BTEC Level 3 National Business Student Book 1* (Pearson, 2009) ISBN 9781846906343

Bevan J, Goymer J, Richards C and Richards N – *BTEC Level 3 National Business Student Book 2* (Pearson, 2009) ISBN 9781846906350

Coupland-Smith H and Mencattelli C – *BTEC Level 3 National Business Teaching Resource Pack* (Pearson, 2009) ISBN 9781846906367

Atkin B and Brooks A – *Total Facilities Management* (Blackwell Publishing, 2005) ISBN 1405127902

Dransfield R – *BTEC National in Business Student Book* (Heinemann, 2004) ISBN 0435455354

Dyson J R – *Accounting for Non-Accounting Students* (FT Prentice Hall, 2007) ISBN 0273709224

Fardon M, Adcock F, Birth I et al – *Advanced Business* (Osborne Books Ltd, 2000) ISBN 1872962041

Hall L, Torrington D and Taylor S – *Human Resource Management* (FT Prentice Hall, 2004) ISBN 0273687131

Health and Safety Executive – *Successful Health and Safety Management, 2nd Edition* (Health and Safety Executive, 1997) ISBN 0717612767

Holman P and Snee D – *The Improving Efficiency Pocketbook* (Management Pocketbooks, 2000) ISBN 1870471776

Institute of Leadership and Management – *Controlling Physical Resources* (ILM Super Series), 4th Edition (Pergamon, 2002) ISBN 075065886X

Mason R – *Finance for Non-Financial Managers in a Week* (Hodder Arnold, 2003) ISBN 0340849622

Journal

Facilities Management Journal (MPP Limited)

Websites

www.bbc.co.uk/business	BBC Business website
www.bbc.co.uk/news	BBC News website
www.becta.org.uk	British Educational Communications and Technology Agency
www.bized.ac.uk	Business education website including learning materials and quizzes
www.careers-in-business.com	Information on a variety of business careers
www.carol.co.uk	Online company annual reports
www.direct.gov.uk	Gateway to public services
www.eubusiness.com	Online business information service about the European Union
www.examtutor.com/business	Support for teachers and learners
www.fenc.org.uk	Products and services for organisations involved in education
www.ferl.org.uk	Educational resources for learning
www.jisc.org.uk	Joint Information Systems Committee (guidance and advice for further and higher education)
www.learnthings.co.uk	Learnthings – providers of interactive digital resources
www.lsda.org.uk	Learning and Skills Development Agency
www.marketingteacher.com/ Lessonstore	Free marketing resources
www.nln.ac.uk	National Learning Network
www.peoplemanagement.co.uk	The online magazine of the Chartered Institute of Personnel and Development
www.projectalevel.co.uk	Project A Level revision resources for learners
www.rdn.ac.uk/news/headlines	Resource Discovery Network – a gateway to internet resources for learning, teaching and research
www.statistics.gov.uk	Official UK statistics
www.s-cool.co.uk	A-level and GCSE revision material
www.thetimes100.co.uk	Free materials and case studies

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
Independent enquirers	carrying out research into the human, physical and technological resources of a selected organisation
Reflective learners	reflecting on the impact resources on business.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
Independent enquirers	planning and carrying out research
Creative thinkers	looking at job specifications and developing their skills as circumstances change
Reflective learners	setting goals, with success criteria, for researching businesses inviting feedback on their own work and dealing positively with praise, setbacks and criticism evaluating their experiences and learning to inform future progress
Team workers	working in a group to discuss ideas about resources and prepare materials for presentations taking responsibility for their own role managing activities to reach agreements and achieve results
Self-managers	seeking out challenges or new responsibilities and showing flexibility when priorities change dealing with competing pressures, including personal and work-related demands responding positively to change, seeking advice and support when needed
Effective participators	planning and carrying out research into the different resources used in business.

● Functional Skills – Level 2

Skill	When learners are ...
ICT – Use ICT systems	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	using spreadsheets when they are investigating the importance of monitoring budgets
Bring together information to suit content and purpose	using PowerPoint to give a presentation for Assignment 2
Mathematics	
Understand routine and non-routine problems in a wide range of familiar and unfamiliar contexts and situations	using budgetary information
Identify the situation or problem and the mathematical methods needed to tackle it	applying ratios to budget information
Draw conclusions and provide mathematical justifications	interpreting financial information
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	giving presentations
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	writing reports linked to their assignments.

Unit 3: Introduction to Marketing

Unit code:	Y/502/5411
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

The aim and purpose of this unit is to give learners an understanding of how marketing, research and planning and the marketing mix are used by all organisations.

● Unit introduction

Marketing is at the heart of every organisation's activity. Its importance is also growing in the non-commercial, public and voluntary sectors. Also, at the heart of marketing is the customer. This unit will introduce learners to some of the tools and techniques all types of organisations use to achieve their objectives.

Firstly, learners will explore how different types of organisations use marketing principles to meet the needs of their customers and achieve their objectives. The constraints under which organisations operate are important and learners will study the legal requirements and voluntary codes that affect marketing.

Learners will then go on to investigate how organisations collect data through market research and turn it into useful information which can be analysed and used to plan their marketing activities.

The segmentation and targeting of groups of customers is a key marketing technique and this is studied in detail. This includes the different bases for segmentation of both consumer and business markets.

Next, learners will examine how a marketing mix is developed to meet the needs and aspirations of a targeted group of prospective customers, before going on to develop a marketing mix for a new product or service.

The unit gives a brief overview of the principles of marketing or can be used as a basis for further study of specialist marketing units.

● Learning outcomes

On completion of this unit a learner should:

- 1 Know the role of marketing in organisations
- 2 Be able to use marketing research and marketing planning
- 3 Understand how and why customer groups are targeted
- 4 Be able to develop a coherent marketing mix.

Unit content

1 Know the role of marketing in organisations

Role: overall concept; marketing definitions

Objectives: private sector aims and objectives (survival, growth); public and voluntary sector aims and objectives (service provision, growth of range of provision, cost limitation, meeting quality standards); marketing objectives, eg market leadership, brand awareness, perceptions of customers or users; link between organisational objectives and marketing objectives

Techniques: growth strategies (diversification, product development, market penetration or market development, Ansoff's Matrix); survival strategies; branding (importance in influencing buyer behaviour, brand building, positioning, brand extension); relationship marketing (definition, difference between transactional marketing and relationship marketing, value of lifetime customer)

Limitations and constraints: legal (Sale of Goods Act 1979, The Consumer Protection from Unfair Trading Regulations 2008, Consumer Credit Acts 1974 and 2006, Consumer Protection (Distance Selling) Regulations, Data Protection Act 1998); voluntary, eg Code of Advertising Practice and Advertising Standards Authority; pressure groups and consumerism; acceptable language

2 Be able to use marketing research and marketing planning

Marketing research: qualitative; quantitative; primary internal/external research; secondary internal/external research; uses (reduce risk in decision making, measure progress over time); limitations (cost effectiveness, validity of data collected)

Marketing planning: marketing planning process model (audit with PESTLE (political, economic, social, technological, legal and environmental external factors); SWOT (internal strengths and weaknesses, external opportunities and threats); set SMART (specific, measurable, achievable, resourced, time-bound) objectives; determine strategy and tactics, implement changes; evaluate)

3 Understand how and why customer groups are targeted

Identifying customers in consumer markets: difference between customers, consumers and buyers; importance of identifying who has influence over purchasing decisions

Market segmentation: importance; bases for segmentation of consumer markets (geographic, demographic, psychographic, lifestyle); uses of geo-demographic systems to identify and reach target groups eg ACORN, MOSAIC; reasons for choice of target group (accessibility, current and future prospects of group as customers, profitability; ability to service customer group, fit with organisation's mission)

Identifying customers in business to business markets: decision making unit (DMU)

Market segmentation: bases for segmentation of business markets (size, region, value, public/private/voluntary sector, product, industry); benefits for different members of the DMU, eg cost benefits, ongoing relationships, security of supply

4 Be able to develop a coherent marketing mix

Marketing mix: 4 P's – product; price; place; promotion; objectives of developing mix (support brand building, satisfy needs and aspirations of targeted group of customers); importance of need for cohesion of different elements of the marketing mix

Product: product range; benefits versus features of product or service for targeted customers; concept of product life cycle

Price: pricing strategies (premium pricing, penetration pricing, economy pricing, price skimming, psychological pricing, captive product pricing, product line pricing)

Place: distribution; online and/or physical presence

Promotion: promotional mix (advertising (different media, online techniques), personal selling, public relations, sales promotion)

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe how marketing techniques are used to market products in two organisations [IE]	M1 compare marketing techniques used in marketing products in two organisations	D1 evaluate the effectiveness of the use of techniques in marketing products in one organisation
P2 describe the limitations and constraints of marketing [RL]		
P3 describe how a selected organisation uses marketing research to contribute to the development of its marketing plans	M2 explain the limitations of marketing research used to contribute to the development of a selected organisation's marketing plans	D2 make justified recommendations for improving the validity of the marketing research used to contribute to the development of a selected organisation's marketing plans.
P4 use marketing research for marketing planning		
P5 explain how and why groups of customers are targeted for selected products		
P6 develop a coherent marketing mix for a new product or service. [CT]	M3 develop a coherent marketing mix that is targeted at a defined group of potential customers.	

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

Key	IE – independent enquirers CT – creative thinkers	RL – reflective learners TW – team workers	SM – self-managers EP – effective participators
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Essential guidance for tutors

Delivery

For learning outcome 1, it is important to address the assumption many learners may have that marketing is merely advertising. In fact, it is a more complex activity and this unit gives a deeper understanding of the whole marketing process. The business purposes and strategic planning covered in the *Unit: The Business Environment*, may be revisited to show the links and differences between organisational and marketing objectives. Next, learners move on to an overview of key marketing principles. Learners could apply Ansoff's matrix to a simple case study, an organisation they are familiar with, or to a business game. Branding and relationship marketing provide opportunities for linking with learners' existing knowledge as consumers. Learners move onto the legislation which constrains marketers. The principles of the legislation should be covered and then applied to situations which may be familiar to learners as customers.

Learning outcome 2 includes an introduction to marketing research, and learners may enjoy conducting their own research. However, if there is insufficient time for this, an exercise where learners plan research to meet specified needs could be used to consolidate the teaching. Marketing research is covered in a separate specialist unit. The rest of the outcome is about the marketing planning process and delivery would be enhanced if learners could play the role of business-decision makers in a business game or a detailed case study.

Learning outcome 3 is about segmenting markets and targeting groups of potential customers. Learners may find it interesting to examine the geo-demographic descriptors for different local postcodes. A practical exercise where pairs of learners define target markets for different products could be used. Learners should also consider the different segmentation and targeting methods used in business and again, a targeting exercise could be useful.

In learning outcome 4 learners need to understand about the principles of a coherent marketing mix and there are many examples of products where the marketing mix is targeted to the younger consumer. Learners could analyse all aspects of the marketing mix and suggest how it has been designed to appeal to the target group. This may be clearer if learners also examine products targeted to a different group. For the assessment of this outcome, learners need to design their own marketing mix, so it would be useful for learners to be given a step-by-step analysis of the process and perhaps a small group exercise in designing a marketing mix.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to unit, structure of the programme and basic definitions of marketing and its prevalence in business
Pair exercise where learners examine their recent transactions with organisations, the role marketing played and the organisations' marketing and organisational objectives
Introduction to use of marketing objectives to achieve organisational objectives and Ansoff's Matrix
Pair exercise on how Ansoff's Matrix could be used in own institution
Introduction to consumer legislation. Whole class
Small groups – analyse case studies from consumer organisation on breaches of consumer legislation
Introduction to voluntary codes
Assignment 1: 'A' Listed Marketeers, Part 1 – select two organisations and research their marketing activities and the constraints under which they conduct marketing.
Introduction to marketing research
Small group work: analysis of a case study showing use of marketing research in the development of a new product, leading to exercise on planning marketing research for a new market
Introduction to the marketing planning process model and development of plan for known organisation
Assignment 2: 'A' Listed Marketeers, Part 2 – pick one of the organisations studied in Assignment 1 and research the organisation's use of marketing research to contribute to the development of their marketing plans
Introduction to the use of PESTLE and exercise on using it for an organisation known to the whole class
Introduction to use of SWOT and exercise on using it for an organisation known to the whole class
Introduction to concepts of segmentation and targeting
Use of instruments eg ACORN for learners to assess the segments into which customers would be classified
Introduction to business-to-business (b2b) segments
Group exercise based on a case study where learners have to present proposals for segmenting and targeting a business market
Introduction to the principles of branding
Exercise where learners identify the positioning of brands and examples of brand building and brand extension
Introduction to concept of relationship marketing
Assignment 3: Segmentation and Targeting – learners select ranges of products from the organisations they have been studying and analyse the target groups, branding and relationship marketing for six different products
Introduction to marketing mix
Discussion of a range of examples of different marketing mixes and how they have been designed to satisfy different groups of customers
Assignment 4: Marketing Mix – learners develop their own marketing mix for a selected new product or service
Supervised assignment work
Non-supervised study time and completion of assignments

Assessment

For most groups of learners, a staged approach to assessment would help them to achieve the unit. Most of the criteria need to be investigated in the context of one or more real organisations and learners may need support in selecting the organisations to use for their assignments.

For P1, learners should describe how the marketing techniques listed in the unit content are used in marketing products or services in two different organisations. It is sufficient to select one product/service or product/service range in each organisation. For P2, learners need to describe the limitations and constraints under which marketers operate; this should include legal requirements and the use of voluntary codes and constraints. Learners should relate these constraints to examples.

To achieve M1, learners need to demonstrate higher-level skills through comparing or finding the similarities and differences between the use of marketing techniques in marketing products or services in two organisations.

For D1, this will be developed further into an evaluation of the effectiveness of the use of marketing techniques in one organisation. Evaluation requires more than stating an opinion and should demonstrate higher-level skills such as researching and interpreting data and using logical judgements about the validity and reliability of the data used to evaluate the effectiveness of the marketing techniques.

For P3, learners should investigate the marketing research used by one organisation and link this to the development of the organisation's marketing plans. This could be based on the school or college's own marketing research and plans, as this would provide a good opportunity to obtain the information required for P4. Alternatively, this could be based on a link with a local commercial or not-for-profit organisation.

For M2, learners should identify and explain the limitations of the marketing research methods used in the selected organisation investigated.

To achieve D2, learners should make, and justify, recommendations for improving the validity of the marketing research used in the selected organisation. Three sound recommendations with justifications would be sufficient to achieve the criterion.

For P5, learners should explain why the different types of target groups are chosen for different products or services. This should include products for both consumer and business to business markets and different methods of segmenting the market. Six different target groups will be sufficient to achieve the criterion.

For P6, learners should develop a coherent marketing mix for a new product or service. The product or service does not have to be entirely new; it could be an established product or service introduced to a new market. The marketing mix should include at least the 4 Ps.

For M3, the marketing mix must be clearly targeted to a defined group of potential customers and needs to be detailed and coherent so that product, price, place and promotion are all designed to appeal to the clearly defined needs and aspirations of the target group of customers.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the assessment and grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, M1, D1	'A' Listed Marketers, Part 1.	You work for a professional organisation for marketers. One of the activities that the organisation undertakes is to evaluate the marketing activities of different companies and produce a list of 'A' Listed Marketers'. You are asked to carry out research into two possible contenders for inclusion on the list.	Produce a report describing, comparing and evaluating the marketing activities of two companies in relation to specified products. Include details of the constraints under which each of the selected organisations operate.
P3, P4, M2, D2	'A' Listed Marketers, Part 2.	Ongoing from first assignment. As part of the evaluation, you are now asked to select one of the companies previously investigated and investigate its use of marketing research.	Prepare presentation materials describing how marketing research is used to contribute to the development of the organisation's marketing planning. Go on to explain the limitations of the marketing research and make justified recommendations as to how the validity of the research could be improved.
P5	Segmentation and Targeting.	Ongoing from previous assignments. Your organisation is going to produce information sheets on examples of segmentation and targeting and you are asked to carry out research into the segmentation and targeting of six different products.	Produce 6 information sheets on different products in which you describe the target groups and explain why this group has been selected for this product.
P6, M3	Marketing Mix.	You are thinking about setting up your own business.	Develop a proposal for a coherent marketing mix for a product or service targeted to a defined group of potential customers.

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Business sector suite. This unit has particular links with the following unit titles in the Business suite:

Level 2	Level 3
Business Purposes	The Business Environment
Business Organisations	Business Resources
Financial Forecasting for Business	Business Communication
	Creative Product Promotion
	Market Research in Business
	Relationship Marketing
	Internet Marketing in Business

This unit also links to the following National Occupational Standards for Marketing and Sales for Non-Specialists, particularly Units 1, 2, 3, 4, 5, 7.

Employer engagement and vocational contexts

The unit requires learners to investigate real examples of the application of marketing techniques. There are a range of possibilities to the engage employers through educational visits and use of visiting speakers.

Centres need to develop links with local businesses. Many businesses and chambers of commerce want to promote local business so are often willing to provide work placements, visit opportunities, information about businesses and the local business context and visiting speakers.

Business Britain (www.businessbritainuk.co.uk/) provides information about business in Britain and has extensive links to other business and business news sites.

The Federation of Small Businesses (www.fsb.org.uk) provides information, support and guidance about small businesses in the UK.

Many businesses provide information about themselves. For example, Unilever, can be found at: www.unilever.co.uk.

Indicative reading for learners

Textbooks

Bevan J, Dransfield R, Coupland-Smith H, Goymer J and Richards C – *BTEC Level 3 National Business Student Book 1* (Pearson, 2009) ISBN 9781846906343

Bevan J, Goymer J, Richards C and Richards N – *BTEC Level 3 National Business Student Book 2* (Pearson, 2009) ISBN 9781846906350

Coupland-Smith H and Mencattelli C – *BTEC Level 3 National Business Teaching Resource Pack* (Pearson, 2009) ISBN 9781846906367

Cave S – *Consumer Behaviour in a Week* (Hodder Arnold, 2002) ISBN 0340849711

Dibb S, Simkin L, Pride W M and Farrell O C – *Marketing Concepts and Strategies* (Houghton Mifflin (Academic), 2005) ISBN 061853203X

Hall D, Jones R and Raffo C – *Business Studies, 3rd Edition* (Causeway Press Ltd, 2004) ISBN 1902796837

Proctor T – *Essentials of Marketing Research* (FT Prentice Hall, 2005) ISBN 0273694944

Journals

Business Review Magazine (Phillip Allan Publishers)

Campaign (Haymarket Business Subscriptions)

The Economist (The Economist Newspaper Group, Inc)

Marketing (Haymarket Business Subscriptions)

Marketing Week (Centaur Communications Ltd)

Websites

www.adassoc.org.uk	The Advertising Association
www.amazon.com	Amazon – online shopping
www.asa.org.uk	The Advertising Standards Authority
www.bized.ac.uk	Business education website including learning materials and quizzes
www.cadburys.co.uk	Cadbury Trebor Bassett
www.cim.co.uk	The Chartered Institute of Marketing
www.easyjet.com	easyJet main website
www.marketingteacher.com	Free marketing resources for learners, teachers and professionals
www.statistics.gov.uk	Official UK statistics
www.swatch.com	Main website for Swatch
www.tesco.com	Main website for Tesco

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
Independent enquirers	investigating the marketing of business organisations
Creative thinkers	generating ideas about marketing in business organisations
Reflective learners	reflecting on the impact of marketing in business.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
Independent enquirers	planning and carrying out research into the marketing of organisations
Creative thinkers	looking at how organisations market their products and services
Reflective learners	setting goals with 'success criteria' for researching businesses inviting feedback on their own work and dealing positively with praise, setbacks and criticism evaluating their experiences and learning to inform future progress
Team workers	working in a group to discuss ideas and prepare materials for presentations taking responsibility for their own role in a team managing activities to reach agreements and achieve results
Self-managers	seeking out challenges or new responsibilities and showing flexibility when priorities change dealing with competing pressures, including personal and work-related demands responding positively to change, seeking advice and support when needed
Effective participators	planning and carrying out research into the marketing of organisations.

● Functional Skills – Level 2

Skill	When learners are ...
ICT – Use ICT systems	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	researching organisations and their marketing
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	tabulating information about organisations
ICT – Find and select information	
Select and use a variety of sources of information independently for a complex task	finding illustrative materials for presentations and tabulations about organisations creating diagrams, presentations and tabulations about marketing in businesses
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	exploring, extracting and assessing the relevance of information from websites about business organisations and their marketing
ICT – Develop, present and communicate information	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> • text and tables • images • numbers • records 	bringing together a variety of materials gathered through research preparing information to present to others about business organisations and their marketing activities
Bring together information to suit content and purpose	
Present information in ways that are fit for purpose and audience	
Evaluate the selection and use of ICT tools and facilities used to present information	
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	communicating with other members of a group communicating with organisations

Skill	When learners are ...
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	<p>carrying out group work investigating organisations and their marketing</p> <p>working with others in investigating businesses (employees, colleagues, teachers, class mates)</p> <p>attending team meetings</p> <p>making presentations about organisations and their marketing activities</p>
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	<p>reading about organisations and their marketing</p> <p>reading about organisations to obtain data to compare businesses marketing activities</p>
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	<p>writing materials to provide information about organisations marketing activities</p> <p>producing labelled charts and diagrams.</p>