Scheme of work – for last exams in 2024

We have worked with subject experts to review our existing resources and made some changes. These changes will support our customers in delivering our current specifications in a way that maximises opportunities for breadth, diversity and inclusivity in the curriculum as well as improve the accessibility of our resources.

In this scheme of work (SOW) we have:

* removed tables so that it is easier to use with assistive technology.
* tried to keep to a specification point per page to make it easier to navigate and more convenient to use.
* made the contents page into clickable links.

Introduction

The following scheme of work offers a route through the A-level Business (7132) course. It covers the specification in a logical order and suggests possible teaching and learning activities for each section of the specification. It also includes opportunities to develop the necessary set of skills required for interacting with the business world.

The order is by no means prescriptive and there are many alternative ways in which the content could be organised. Time has been built in for assessment activities and revision, but all timings are approximate.

Assumed coverage

This scheme assumes the AS course is a one-year course or the first year of a two-year A-level, with four hours of lessons per week; approximately 120 taught hours per year. A considerable amount of work needs to be completed outside lessons, depending on lesson time available.

One and two teacher model

Model for one teacher with a linear approach to the subject content (section 3.1 - 3.10)

With two teachers, the model could be broken down as follows:

First year Teacher 1 – 3.1, 3.3, 3.4

Teacher 2 – 3.2, 3.5, 3.6, (functional areas can be allocated according to teaching preference)

Second year Teacher 1 – 3.7.1, 3.7.3, 3.7.5, 3.7.7, 3.8, 3.10.1, 3.10.2

Teacher 2 – 3.7.2, 3.7.4, 3.7.6, 3.7.8, 3.9, 3.10.3, 3.10.4 (suggested allocation)

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3.1 What is business?

Specification reference

3.1.1 Understanding the nature and purpose of business

Learning outcomes

* To understand why businesses exist
* To understand the relationship between mission and objectives
* To examine common business objectives
* To understand why businesses set objectives
* To understand the measurement and importance of profit

Suggested timing

4 hours

Guidance

Learners may have no business knowledge before starting the course, although some may have studied a business-related subject.

* Learner activity looking at real-life examples such as:
* profit
* growth
* survival
* cash flow
* social
* ethical objectives.
* Teacher led activity on the measurement of profit to include:
* revenue (also turnover and sales)
* fixed costs
* variable costs
* total costs.

Resources

* Listen to our [Teaching guide podcast ‘Understanding Business’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-understanding-business-podcast) (8 minutes)
* Watch [tutor2u video ‘Business Objectives’](https://www.youtube.com/watch?v=RdQuKwhCzGU) (4 minutes)
* Watch [tutor2u video ‘Mission Statements’](https://www.youtube.com/watch?v=CVByJVRWNqs) (5 minutes)
* Read the [mission statement of this multinational coffee company](https://www.starbucks.co.uk/about-us) (2 minutes)
* Read ‘[Best Mission Statements: 12 Examples You Need to See’](https://www.fond.co/blog/best-mission-statements/) (10 minutes)
* Read about the [core purpose and values of this supermarket chain](https://www.tescoplc.com/about/how-we-do-business/core-purpose-and-values) (2 minutes)
* Watch [Two Teachers video ‘Business Aims and Objectives’](https://www.youtube.com/watch?v=OzWTEe4bna4) (9 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/businessaimsandobjectives/) with this video
* Watch [TakingTheBiz video ‘Profit’](https://www.youtube.com/watch?v=wy0fbihg-Zw) (7 minutes)
* Business example: [startups.co.uk case study: an eco-cleaning social enterprise](https://startups.co.uk/entrepreneurs/amelia-gammon-bide/) (5 minutes)
* Business example: [startups.co.uk case study: virtual healthcare services](https://startups.co.uk/entrepreneurs/ranjan-singh-healthhero/) (5 minutes)

3.1 What is business?

Specification reference

3.1.2 Understanding different business forms

Learning outcomes

* To understand reasons for choosing different forms of business and for changing business form.
* To understand the role of shareholders and why they invest.
* To learn about influences on share price and the significance of share price changes.
* The effects of ownership on mission, objectives, decisions and performance.

Suggested timing

7 hours

Guidance

* Learners should be able to understand different forms of business and why these forms may change and the role of shareholders.
* Different forms of business include:
* sole traders
* private limited companies and public limited companies
* private sector and public sector organisations
* non-profit organisations such as charities and mutuals.
* Issues with different forms of business include:
* unlimited and limited liability
* ordinary share capital
* market capitalisation
* dividends.

Resources

* Watch [Two Teachers video ‘Types of Business Ownership’](https://www.youtube.com/watch?v=BN2cQNNvg_4) (11 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/types-of-business-ownership) with this video
* Watch [tutor2u video ‘Private and Public Sector Organisations’](https://www.youtube.com/watch?v=6AfATaoWZRs) (2 minutes)
* Watch [tutor2u video ‘Limited and Unlimited Liability](https://www.youtube.com/watch?v=42T-K3wmZZs)’ (4 minutes)
* Read [tutor2u study notes ‘Not-for-Profit Organisations’](https://www.tutor2u.net/business/reference/not-for-profit-organisations) (2 minutes)
* Watch [‘What is the Big Issue’](https://www.youtube.com/watch?v=kYO-TeBzYWY) (2 minutes)
* Watch [tutor2u video ‘Shares, Share Prices and Market Capitalisation’](https://www.youtube.com/watch?v=TPoLliZofC8) (15 minutes)
* Watch [‘How the Stock Exchange works’](https://www.youtube.com/watch?v=F3QpgXBtDeo) (3 minutes)
* Read two articles demonstrating influences on share price and the significance of share price changes (applied to a British oil and gas company) and discuss: [article 1](https://www.theguardian.com/business/marketforceslive/2010/dec/16/bp-oil-spill-shares-fall) (2 minutes), [article 2](https://www.bbc.co.uk/news/business-35469380) (3 minutes)

**3.1 What is business?**

**Specification reference**

3.1.3 Understanding that businesses operate within an external environment.

**Learning outcomes**

To understand how the external environment can affect costs and demand.

Suggested timing

4 hours

**Guidance**

Factors influencing costs and demand to include the effect of:

* competition
* market conditions
* incomes
* interest rates
* demographic factors
* environmental issues and fair trade.

Resources

* Read [tutor2u study notes ‘Revenue and Demand’](https://www.tutor2u.net/business/reference/revenue-and-demand) (2 minutes)
* Watch [Two Teachers video ‘The Competitive Environment’](https://www.youtube.com/watch?v=XIt7dEmo4D8) (applied to book retailers, 11 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/thecompetitiveenvironment) with this video
* Review and discuss the [Office for National Statistics (ONS) average household income data](https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2021)
* Read [‘What are Interest Rates’](https://www.bankofengland.co.uk/knowledgebank/what-are-interest-rates) on the Bank of England website (2 minutes) and watch the video (1 minute)
* Read [BBC news article ‘Interest rates: What are they and how high could they go?’](https://www.bbc.co.uk/news/business-57764601) (3 minutes)
* Watch [Two Teachers video ‘How to Calculate Interest Rates and the Impact They Have on Businesses’](https://www.youtube.com/watch?v=hV76CDqz3y8) (5 minutes)
* Review and discuss the [ONS population and household data of England and Wales in 2021](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimatesenglandandwales/census2021)
* Business example: [A multinational consumer goods corporation](https://www.pg.co.uk/environmental-sustainability/) – environmental sustainability
* Review and discuss the [2021 UK greenhouse gas emissions data](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1064921/2021-uk-ghg-provisional-figures-statistical-summary.pdf)
* Read and explore [‘What is Fairtrade?’](https://www.fairtrade.org.uk/) on the Fairtrade website
* Read [tutor2u blog ‘Economic Environment: Businesses Facing Rising Wage Costs in Part Due to Shortages of Older Workers’ and the linked BBC news article](https://www.tutor2u.net/business/blog/economic-environment-businesses-facing-rising-wage-costs-in-part-due-to-shortages-of-older-workers) and discuss (5 minutes)

**3.2 Managers, leadership and decision making**

Specification reference

3.2.1 Understanding management, leadership and decision making.

Learning outcomes

* To understand what managers do.
* To be aware of types of management and leadership styles and influences on these.
* To understand the effectiveness of different styles of management and leadership.

Suggested timing

3 hours

Guidance

* The role of managers should include:
* setting objectives
* analysing
* leading
* making decisions
* reviewing.
* Theories of management and leadership styles should include:
* the Tannenbaum Schmidt continuum
* the Blake Mouton grid.

Resources

* Listen to topic 1 of [our teaching guide podcast ‘Management, decision making and the importance of stakeholders’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-management,-decision-making-and-the-importance-of-stakeholders-podcast) (topic 1 begins at 54 seconds)
* Watch [tutor2u video ‘Introduction to the role of a Manager’](https://www.tutor2u.net/business/reference/introduction-to-the-role-of-a-manager) (3 minutes)
* Watch [TakingTheBiz video ‘Leadership styles: difference between managers and leaders’](https://www.youtube.com/watch?v=OlmmdMm52pQ) (14 minutes)
* Read our [‘Tannenbaum and Schmidt continuum’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-tannenbaum-schmidt-continuum) (1 minute)
* Read our [‘Blake Mouton grid’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-blake-mouton-grid) (1 minute)
* Watch [tutor2u video ‘Tannenbaum and Schmidt continuum’](https://www.tutor2u.net/business/reference/leadership-styles-tannenbaum-schmidt-continuum) (4 minutes)
* Watch [tutor2u video ‘Blake Mouton grid’](https://www.tutor2u.net/business/reference/leadership-styles-blake-mouton-managerial-grid-1) (5 minutes)
* Watch [Two Teachers video ‘Styles of Management and Leadership’](https://www.youtube.com/watch?v=BuRJR4xfO_0) (9 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/styles-of-management-leadership) with this video
* Read and discuss [BBC Worklife article ‘The Surprising Traits of Good Remote Leaders’](https://www.bbc.com/worklife/article/20200827-why-in-person-leaders-may-not-be-the-best-virtual-ones) (4 minutes)
* Read and discuss [The Open University article ‘The Power of Quiet Leadership’](https://connect.open.ac.uk/money-business-and-law/the-power-of-quiet-leadership) (4 minutes)

3.2 Managers, leadership and decision making

Specification reference

3.2.2 Understanding management decision making.

Learning outcomes

* To learn about the value of decision making based on data (scientific decision making) and on intuition.
* To understand the use and value of decision trees in decision making.
* To understand the influences on decision making.

Suggested timing

4 hours

Guidance

* Scientific decision making should include understanding and interpreting decision trees and calculating expected value and net gains.
* Decision making to include an understanding of:
* risks
* rewards
* uncertainty
* opportunity costs.
* Influences on decision making to include:
* mission
* objectives
* ethics
* the external environment including competition
* resource constraints.

Resources

* Listen to topic 2 of our [teaching guide podcast ‘Management, decision making and the importance of stakeholders’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-management,-decision-making-and-the-importance-of-stakeholders-podcast) (topic 2 starts at 4 minutes and 57 seconds)
* Read our [‘Scientific Decision Making’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-scientific-decision-making) (1 minute)
* Watch [tutor2u video ‘Decision Making Scientific Approach v Intuition’](https://www.youtube.com/watch?v=1gi7AGyGnt0) (4 minutes)
* Watch [tutor2u video ‘Opportunity Cost and Business Decision Making’](https://www.youtube.com/watch?v=vJbEttoCFV0) (3 minutes)
* Read our [‘Decision Trees’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-decision-trees) (2 minutes)
* Watch [tutor2u video ‘Decision Trees’](https://www.youtube.com/watch?v=PYxDkGlpj_U) (14 minutes)
* Watch [TakingTheBiz video ‘Usefulness of Decision Trees’](https://www.youtube.com/watch?v=k29jDYV7JvQ) (8 minutes)
* Watch [TakingTheBiz video ‘Influences on Decisions’](https://www.youtube.com/watch?v=LZYXFKUHp-0) (8 minutes)

3.2 Managers, leadership and decision making

Specification reference

3.2.3 Understanding the role and importance of stakeholders.

Learning outcomes

* To learn about considering stakeholders’ needs when making decisions
* To learn about stakeholder needs and the possible overlap and conflict of these needs
* To understand influences on the relationship with stakeholders
* To learn about how to manage the relationship

Suggested timing

4 hours

Guidance

* Stakeholder mapping: stakeholder power and interest.
* Managing the relationship with different stakeholders includes communication and consultation.

Resources

* Listen to topic 3 of our [teaching guide podcast ‘Management, Decision Making and the Importance of Stakeholders’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-management,-decision-making-and-the-importance-of-stakeholders-podcast) (topic 3 starts at 8 minutes and 22 seconds)
* Watch [Two Teachers video ‘What is a Stakeholder’](https://www.youtube.com/watch?v=tZGol4xtY3g) (includes stakeholder objectives and stakeholder conflict, with a business example. 11 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/stakeholdersvideoactivity) with this video.
* Read [tutor2u blog article ‘How Stakeholders are Affected by Bank Closures’](https://www.tutor2u.net/business/blog/stakeholders-bank-closures) (1 minute) and watch the linked [BBC Newsnight video ‘The Impact of Bank Branch Closures on Local Communities’](https://www.youtube.com/watch?v=hLstY2o8PHc&t=250s) (6 minutes)
* Read our [‘Stakeholder Mapping’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-stakeholder-mapping) (1 minute)
* Watch [tutor2u video ‘Stakeholders and Stakeholder Mapping Explained’](https://www.youtube.com/watch?v=gc55hPIFW8w) (8 minutes)
* Play [tutor2u stakeholders revision quiz](https://www.tutor2u.net/business/reference/stakeholders-revision-quiz)

3.3 Decision making to improve marketing performance

**Specification reference**

3.3.1 Setting marketing objectives.

**Learning outcomes**

* To understand the value of setting marketing objectives.
* To learn about external and internal influences on marketing objectives and decisions.

**Suggested timing**

4 hours

**Guidance**

Marketing objectives include:

* sales volume and sales value
* market size
* market and sales growth
* market share
* brand loyalty.

**Resources**

* Listen to our [teaching guide podcast ‘Decision Making to Improve Marketing Performance’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-decision-making-to-improve-marketing-performance-podcast) (8 minutes)
* Watch [tutor2u video ‘Marketing Objectives (introduction)’](https://www.youtube.com/watch?v=_ODiz0JRx2U) (5 minutes)
* Watch [tutor2u video ‘Internal and External Influences on Marketing Objectives’](https://www.youtube.com/watch?v=fdxfYWl4ol4) (7 minutes)
* Read [tutor2u blog article ‘Growing Market Share by Rewarding Existing Customers’](https://www.tutor2u.net/business/blog/growing-market-share-by-rewarding-existing-customers-mcdonalds-uk-to-roll-out-loyalty-scheme-after-successful-trial). A well-known burger chain in the UK to roll out loyalty scheme after a successful trial (30 second read, 2 minute and 10 second video)

3.3 Decision making to improve marketing performance

**Specification reference**

3.3.2 Understanding markets and customers.

**Learning outcomes**

* To learn about the value of primary and secondary marketing research.
* To learn about the value of sampling.
* To understand the interpretation of marketing data.
* To understand the value of technology in gathering and analysing data for marketing decision making.
* To understand the interpretation of price and income elasticity of demand data.
* To understand the value of the concepts of price and income elasticity of demand to marketing decision makers.
* To learn about the use of data in marketing decision making and planning.

**Suggested timing**

8 hours

**Guidance**

* Marketing research should include:
* qualitative and quantitative data
* market mapping.
* You should be able to calculate market and sales growth, market share and size.
* Interpretation of marketing data should include:
* positive and negative correlation and an understanding of the strength of the relationship
* understanding the concept of confidence intervals
* understanding extrapolation.
* You should be able to interpret price and income elasticity of demand data and be able to analyse the impact of changes in price and income on revenue (you do not need to be able to calculate these).

**Resources**

* Watch [Two Teachers video ‘Market Research – The Purpose of Market Research Explained’](https://www.youtube.com/watch?v=NSavcu-cIs0) (includes well known business examples, 10 minutes).There is a [free activity worksheet](https://www.twoteachers.co.uk/marketresearchresourcepack) with this video
* Watch [tutor2u video ‘Primary Market Research’](https://www.youtube.com/watch?v=tJi_JsiOs2I) (4 minutes)
* Watch [tutor2u video ‘Secondary Market Research’](https://www.youtube.com/watch?v=ELX2kIPmyqY) (4 minutes)
* Watch [tutor2u video ‘Quantitative and Qualitative Marketing Research’](https://www.youtube.com/watch?v=nY5vtYCYUfo) (5 minutes)
* Watch [tutor2u video ‘Sampling and Marketing Research’](https://www.youtube.com/watch?v=TNgf1usFmmo) (4 minutes)
* Read our [‘Market Mapping’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-market-mapping) (1 minute)
* Watch [Two Teachers video ‘Market Mapping’](https://www.youtube.com/watch?v=3VsksET9OUQ) (supported by examples from the car industry, 7 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/marketmap/) with this video

**Resources continued**

* Use our [‘Formulae and Key Data’ teaching guide](https://filestore.aqa.org.uk/resources/business/AQA-7131-7132-FORMULAE.PDF) for the calculations of market growth (section 4) and market share (section 5)
* Watch [tutor2u video ‘Positive and Negative Correlation’](https://www.tutor2u.net/business/reference/positive-and-negative-correlation) (8 minutes)
* Read [tutor2u blog ‘Ice-Cream Sales and the Heatwave. A Classic Example of Strong Positive Correlation’](https://www.tutor2u.net/business/blog/ice-cream-sales-and-the-heatwave-a-classic-example-of-strong-positive-correlation) and the linked BBC news article (4 minute read)
* Watch [tutor2u video ‘Confidence Intervals’](https://www.youtube.com/watch?v=_JGALetMcjo) (3 minutes)
* Read our [‘Price Elasticity of Demand’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-price-elasticity-of-demand) (3 minutes)
* Read our [‘Income Elasticity of Demand’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-income-elasticity-demand) (2 minutes)
* Read [tutor2u blog ‘PED in Action: Inflation Hits the Humble Cheeseburger’](https://www.tutor2u.net/business/blog/ped-in-action-inflation-hits-the-humble-cheeseburger) (1 minute read)
* Read [tutor2u blog ‘Income Elasticity of Demand: Falling Disposable Incomes Are Making More People Cancel their Media Streaming Subscriptions’](https://www.tutor2u.net/business/blog/income-elasticity-of-demand-falling-disposable-incomes-are-making-more-people-cancel-their-media-streaming-subscriptions) and the linked BBC news article (3 minutes)
* Watch [tutor2u video ‘Technology and Marketing Decision Making’](https://www.youtube.com/watch?v=gD7cguaEbv8) (6 minutes)

3.3 Decision making to improve marketing performance

**Specification reference**

3.3.3 Making marketing decisions, segmentation, targeting, positioning.

**Learning outcomes**

* To learn about the process and value of segmentation, targeting and positioning.
* To learn about the influences on choosing a target market and positioning.

**Suggested timing**

2 hours

**Guidance**

Segmentation methods include:

* demographic
* geographic
* income
* behavioural segmentation.

Targeting may include niche and mass marketing.

Resources

* Read our [‘STP: segmentation, targeting, positioning’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-stp-segmentation-targeting-positioning) (1 minute)
* Watch [tutor2u video ‘Niche and Mass Markets: Introduction’](https://www.youtube.com/watch?v=OV2zbaMr-_c) (6 minutes)
* Watch [tutor2u video ‘Marketing: Segmentation - Targeting – Positioning’](https://www.youtube.com/watch?v=0srjdRDh99Y) (9 minutes)
* Watch [Two Teachers video ‘Market Segmentation’](https://www.youtube.com/watch?v=ZUOCx1iO8gI) (applied to a well-known gym wear brand, 12 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/marketsegmentationresource) with this video.

3.3 Decision making to improve marketing performance

**Specification reference**

3.3.4 Making marketing decisions; using the marketing mix.

**Learning outcomes**

* To understand the elements of the marketing mix (7Ps).
* To learn about the influences on and effects of changes in the elements of the marketing mix.
* To learn about product decisions.
* To learn about pricing decisions.
* To understand decisions about the promotional mix.
* To learn about distribution (place) decisions.
* To learn about decisions relating to other elements of the marketing mix: people, process and physical element.
* To understand the importance of and influences on an integrated marketing mix.
* To understand the value of digital marketing and e-commerce.

**Suggested timing**

10 hours

**Guidance**

* The marketing mix should be considered for goods and services, both industrial and consumer.
* Types of consumer goods considered should include convenience, shopping and speciality products.
* Product decisions should include:
* the value of product portfolio analysis and the Boston Matrix
* the value of the product life cycle model including extension strategies
* influences on and the value of new product development.
* Pricing decisions should include penetration and price skimming.
* Promotional decisions should include the value of branding.
* Distribution decisions should include multi-channel distribution.
* Influences on an integrated marketing mix include:
* the position in the product life cycle
* the Boston Matrix
* the type of product
* marketing objectives
* the target market
* competition
* positioning.

Resources

* Read our [‘7Ps of the Marketing Mix’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-7ps-of-the-marketing-mix) (1 minute)
* Watch [tutor2u video ‘Extended Marketing Mix (7Ps) Explained’](https://www.youtube.com/watch?v=Bb-dX_0Oo_M) (the video applies the mix to a well-known budget gym chain, 5 minutes)
* Watch [tutor2u video ‘Consumer Goods and Industrial Goods’](https://www.youtube.com/watch?v=z0RzUo99W1c) (video includes examples, 5 minutes)

Resources continued

* Read our [‘Boston Matrix’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-boston-matrix) (2 minutes)
* Watch [Two Teachers video ‘The Boston Matrix’](https://www.youtube.com/watch?v=JrQfcVoNXvA) (applied to a leading multinational technology company, 4 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/the-boston-matrix-activity-workshee) with this video
* Read our [‘The Product Life Cycle’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-the-product-lifecycle) (2 minutes)
* Watch [Two Teachers video ‘Product Life Cycle Explained’](https://www.youtube.com/watch?v=ob5KWs3I3aY) (video applies the life cycle to a smart phone and soft drink, 9 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/productlifecyclerp/) with this video
* Watch [Two Teachers video ‘Pricing Strategies’](https://www.youtube.com/watch?v=xTw7JUxWsYM) (7 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/pricingstrategiesactivity/) with this video
* Business example for Price: Read how this [multinational ride-hailing app company uses dynamic pricing](https://www.uber.com/en-GB/blog/uber-dynamic-pricing/) (1 minute)
* Watch [tutor2u video ‘Promotional Decisions’](https://www.youtube.com/watch?v=qD4OgOoKXOA) (5 minutes)
* Business example for Promotion: watch [Two Teachers video ‘The Promotional Mix Explained’](https://www.youtube.com/watch?v=XI2qK1UASxI) (includes promotional techniques applied to a multinational burger chain (7 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/thepromotionalmix/) with this video.
* Watch [tutor2u video ‘Value of Branding’](https://www.youtube.com/watch?v=jVf-TlUYmZ8) (includes business examples, 4 minutes)
* Watch [Two Teachers video ‘Ways to Build a Brand’](https://www.youtube.com/watch?v=dpHWHcphhsk) (applied to four real life businesses, 8 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/waystobuildabrand/) with this video
* Watch [Two Teachers video ‘Distribution Channels Explained’](https://www.youtube.com/watch?v=MpKKM0ElCZA) (7 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/distributionchannels/) with this video
* Watch [tutor2u video ‘Multichannel Distribution’](https://www.youtube.com/watch?v=kKLHEnuS__0) (includes benefits and drawbacks, 4 minutes)
* Business example for Place: watch [this video](https://www.youtube.com/watch?v=Z3O6X3T-FIc) and discuss why this well-known gym wear brand has decided to open a physical store and how this location choice will impact the business (11 minutes)
* Watch [tutor2u video ‘Digital Marketing: overview’](https://www.youtube.com/watch?v=GouEWHpL7oE) (7 minutes)
* Watch [Two Teachers video ‘E-commerce and M-commerce Explained’](https://www.youtube.com/watch?v=FAdbTAhQstY) (includes business examples, 11 minutes)
* Watch [Bizconsesh video ‘Impact of Competition on the Marketing Mix’](https://www.youtube.com/watch?v=tAwN1SlkrAg) (4 minutes)
* Business example: Watch and discuss [this excerpt from Dragons Den](https://www.youtube.com/watch?v=KaCY2TKUEns) (14 minutes)
* Business example: Watch [Two Teachers video about why a famous theme park chain is so expensive’](https://www.youtube.com/watch?v=kQMSUcvl06o) (5 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/disneyactivity) with this video
* Business Example: Listen [Two Teachers interview with Tessa Clarke the co-founder of the world’s first neighbour to neighbour food sharing app](https://www.youtube.com/watch?v=UXahrgBmJ2o) – interview discusses progressing from initial idea to product launch, expanding the product portfolio, how market research helped shaped the business and the experience of being a woman in business (34 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/olioactivity/) with this video

3.4 Decision making to improve operational performance

**Specification reference**

3.4.1 Setting operational objectives.

**Learning outcomes**

* To understand the value of setting operational objectives.
* To learn about external and internal influences on operational objectives and decisions.

**Suggested timing**

2 hours

**Guidance**

Operational objectives include:

* costs
* quality
* speed of response and flexibility
* dependability
* environmental objectives
* added value.

Resources

* Listen to our [teaching guide podcast ‘Decision Making to Improve Operational Performance’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-decision-making-to-improve-operational-performance-podcast) (8 minutes)
* Watch [tutor2u video ‘Operational Objectives’](https://www.youtube.com/watch?v=GazbcbFIt_0) (5 minutes)
* Business example: [oil company – environmental objectives](https://www.bp.com/en/global/corporate/sustainability/caring-for-our-planet.html)
* Read [tutor2u presentation ‘Adding Value and the Transformation Process’](https://www.tutor2u.net/business/reference/adding-value-and-the-transformation-process) (2 minutes)
* Watch [tutor2u video ‘Internal and External Influences in Operational Objectives’](https://www.youtube.com/watch?v=qUGuTATImMY) (5 minutes)
* Watch [BBC Click’s video getting behind the scenes in a mobile phone factory in China](https://www.youtube.com/watch?v=kwD3MUtZxeE) (demonstrates costs, quality and added value, from beginning to 8 minutes and 49 seconds)
* Watch [BBC news segment featuring the manufacture of ride on kids suitcase](https://www.youtube.com/watch?v=f79f7iKmTSc)s and discuss the main operational objective of the business (5 minutes)
* Read [Mail online article ‘Sharp practice? The razor heads that cost just 5p to make, but sell for £2.43’](https://www.dailymail.co.uk/news/article-1191456/Sharp-practice-The-razor-heads-cost-just-5p-make-sell-2-43-each.html) and discuss added value (2 minutes)

3.4 Decision making to improve operational performance

**Specification reference**

3.4.2 Analysing operational performance.

**Learning objective**

* To learn about the interpretation of operations data.
* To calculate operations data**.**

**Suggested timing**

3 hours

**Guidance**

You should be able to calculate:

* labour productivity
* unit costs (average costs)
* capacity
* capacity utilisation.

Resources

* Read our [‘Formulae and Key Data’ teaching guide](https://filestore.aqa.org.uk/resources/business/AQA-7131-7132-FORMULAE.PDF) for the labour productivity, units costs and capacity utilisation formulae (sections 7, 8 and 9)
* Watch [tutor2u video ‘Labour Productivity’](https://www.youtube.com/watch?v=iRcpBCL85oc) (includes a worked example and factors influencing labour productivity and ways to improve labour productivity, 7 minutes)
* Read [tutor2u study notes ‘Unit Costs’](https://www.tutor2u.net/business/reference/unit-costs) (2 minutes)
* Watch [tutor2u video ‘Economies of Scale’](https://www.youtube.com/watch?v=2E1pAqZ8qCg) (to assist with understanding of unit costs, 9 minutes)
* Watch [tutor2u video ‘Capacity Utilisation - How to Calculate It’](https://www.youtube.com/watch?v=ScgBG5fuaDY) (6 minutes)

3.4 Decision making to improve operational performance

**Specification reference**

3.4.3. Making operational decisions to improve performance: increasing efficiency and productivity.

**Learning outcomes**

* To understand the importance of capacity.
* To understand the importance of efficiency and labour productivity.
* To learn about how to increase efficiency and labour productivity.
* To understand the benefits and difficulties of lean production.
* To learn about the difficulties increasing efficiency and labour productivity.
* To learn about how to choose the optimal mix of resources.
* To learn about how to utilise capacity efficiently.
* To understand how to use technology to improve operational efficiency.

**Suggested timing**

8 hours

**Guidance**

* Lean production should include ‘Just-In-Time’ operations.
* The mix of resources should include an understanding of labour and capital intensive processes.

Resources

* Watch [tutor2u video ‘Capacity Management: Level and Utilisation’](https://www.youtube.com/watch?v=kWYTiiRka5Y) (provides examples and explains why understanding capacity matters, costs of capacity, why most businesses operate below capacity and problems of working at high capacity, 9 minutes)
* Watch [TakingTheBiz video How to Improve Efficiency – Labour Productivity’](https://www.youtube.com/watch?v=I5l8yX0J2iY) (includes benefits and difficulties, 10 minutes)
* Watch [tutor2u video ‘Lean Production – Overview’](https://www.youtube.com/watch?v=PEZGGsi_dDE) (9 minutes)
* Watch [‘How Toyota Changed the Way We Make Things’](https://www.youtube.com/watch?v=F5vtCRFRAK0) (5 minutes)
* Read [tutor2u study notes ‘Just in Time (JIT)’](https://www.tutor2u.net/business/reference/just-in-time-jit) (includes advantages and disadvantages, 2 minutes)
* Watch [tutor2u video ‘Operations Resource Mix: Labour and Capital Intensive Processes’](https://www.youtube.com/watch?v=NgmfAFoatAg) (3 minutes)
* Watch [Bizconsesh video ‘Technology to Increase Efficiency’](https://www.youtube.com/watch?v=XI67trbbRoE) (3 minutes)

3.4 Decision making to improve operational performance

**Specification reference**

3.4.4. Making operational decisions to improve performance: improving quality.

**Learning outcomes**

* To learn about the importance of quality.
* To learn about methods of improving quality.
* To learn about the benefits and difficulties of improving quality.
* To learn about the consequences of poor quality.

**Suggested timing**

4 hours

**Guidance**

Methods of improving quality should include quality assurance.

Resources

* Read [tutor2u study notes ‘Quality – Introduction’](https://www.tutor2u.net/business/reference/quality-introduction) (1 minute)
* Watch [tutor2u video ‘Quality Assurance Explained’](https://www.youtube.com/watch?v=0hzqHwu1i_I) (includes comparison with quality control, explains total quality management with pros and cons and introduces kaizen) 5 minutes)
* Read [tutor2u video ‘Quality Management - Costs of Poor Quality’](https://www.tutor2u.net/business/reference/quality-costs-of-poor-quality) (includes examples - 3 minutes)
* Read how this [Japanese car manufacturer has made quality changes over 75 years](https://www.toyota-global.com/company/history_of_toyota/75years/data/company_information/management_and_finances/management/tqm/change.html) and identify the different methods of improving quality that have been used (10 minute)

3.4 Decision making to improve operational performance

**Specification reference**

3.4.5 Making operational decisions to improve performance: managing inventory and supply chains.

**Learning outcomes**

* To learn about the ways and value of improving flexibility, speed of response and dependability.
* To understand how to manage supply to match demand and the value of doing so.
* To learn about the influences on the amount of inventory held.
* To learn about influences on the choice of suppliers.
* To learn about how to manage the supply chain effectively and efficiently and the value of this.
* To understand the value of outsourcing.

**Suggested timing**

7 hours

**Guidance**

An understanding of flexibility should include mass customisation.

* Ways of matching supply to demand include:
* outsourcing
* use of temporary and part time employees
* producing to order.
* Inventory control should include:
* interpreting inventory control charts
* lead time
* re-order levels
* buffer level of inventory
* re-order quantities.

Resources

* Read [tutor2u presentation ‘Working with Suppliers’](https://www.tutor2u.net/business/reference/working-with-suppliers-revision-presentation) (5 minutes)
* Watch [tutor2u video ‘Mass Customisation’](https://www.youtube.com/watch?v=4h6adna8D84) (includes examples, 4 minutes)
* Watch [tutor2u video ‘Outsourcing Explained’](https://www.youtube.com/watch?v=DcQraUl1Zjg) (includes examples and benefits and drawbacks, 4 minutes)
* Watch [tutor2u video ‘Producing to Order’](https://www.youtube.com/watch?v=MNa0sk_5tUk) (3 minutes)
* Watch [Bizconsesh video ‘Methods to Managing Supply’](https://www.youtube.com/watch?v=IznifYIeNcI) (2 minutes)
* Watch [tutor2u video ‘Inventory Management – Introduction’](https://www.youtube.com/watch?v=CXG_M_wxaFE) (5 minutes)
* Read our [‘Inventory Control Chart’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-inventory-control-chart) (1 minute)
* Watch [tutor2u video ‘Inventory (Stock) Control Charts’](https://www.youtube.com/watch?v=W92nRwpLUjU) (8 minutes)
* Read [tutor2u blog ‘Inventory Management: New Stock System Problems Leave Customers Waiting for Their Summer Read’](https://www.tutor2u.net/business/blog/inventory-management-new-stock-system-problems-leave-customers-waiting-for-their-summer-read) and the linked [Guardian article](https://www.tutor2u.net/business/blog/inventory-management-new-stock-system-problems-leave-customers-waiting-for-their-summer-read) (4 minutes)
* Read [tutor2u blog ‘Supply Chains and Inventory Management: Long Lead Times Leave Fans Lost’](https://www.tutor2u.net/business/blog/supply-chains-and-inventory-management-long-lead-times-leave-fans-lost) and the linked [BBC news article](https://www.bbc.co.uk/news/business-62256634) (4 minutes)

3.5 Decision making to improve financial performance

**Specification reference**

3.5.1 Setting financial objectives.

**Learning outcomes**

* To understand the value of setting financial objectives.
* To understand the distinction between cash flow and profit.
* To understand the distinction between gross profit, operating profit and profit for the year.
* To learn about revenue, costs and profit objectives.
* To learn about cash flow objectives.
* To learn about objectives for investment (capital expenditure) levels.
* To learn about capital structure objectives.
* To understand external and internal influences on financial objectives and decisions.

**Suggested timing**

4 hours

**Guidance**

* Financial objectives to include:
* the concept of a return on investment
* an understanding of the proportion of long-term funding that is debt.

Resources

* Listen to our [teaching guide podcast ‘Decision Making to Improve Financial Performance’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-decision-making-to-improve-financial-performance-podcast) (6 minutes)
* Watch [tutor2u video ‘Financial Objectives of a Business’](https://www.youtube.com/watch?v=--oEdnOtIFg) (includes revenue objectives, cost minimisation objectives, profit objectives, cash flow objectives, return on investment objectives and capital structure objectives, 9 minutes )
* Read [tutor2u study notes ‘Profit and Cash Flow – What is the Difference?’](https://www.tutor2u.net/business/reference/profit-and-cash-flow-what-is-the-difference) (2 minutes)
* Watch [TakingTheBiz video ‘Types of Profit’](https://www.youtube.com/watch?v=2HkU45vfd5E&list=PLcWPAWkNIoiCm-ZW4MrWaiSMp-iRPsG75&index=34) (5 minutes)
* Watch [tutor2u video ‘Capital Structure of a Business’](https://www.youtube.com/watch?v=pdJo2w2kiI4&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=3) (covers debt and equity, 4 minutes)
* Watch [tutor2u video ‘Influences on Financial Objectives’](https://www.youtube.com/watch?v=zKhqN69MT-0&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=2) (5 minutes)

3.5 Decision making to improve financial performance

**Specification reference**

3.5.2 Analysing financial performance.

**Learning outcomes**

* To learn how to construct and analyse budgets and cash flow forecasts
* To understand the value of budgeting.
* To learn how to construct and interpret break-even charts.
* To learn how to calculate and illustrate on a break-even chart the effects of changes in price, output and cost.
* To calculate the value of break-even analysis.
* To learn how to analyse profitability.
* To learn how to analyse timings of cash inflows and outflows.
* To understand the use of data for financial decision making and planning.

**Suggested timing**

7 hours

**Guidance**

* Analysing budgets should include variance analysis and adverse and favourable variances.
* Break-even analysis should include:
* Break-even output
* margin of safety
* contribution per unit
* total contribution.
* Analysing profitability should include the following ratio analysis:
* gross profit
* profit from operations
* profit for the year.
* Analysing timings of cash flow should include an understanding of payables and receivables.

Resources

* Watch [tutor2u video ‘Budgets and Budgeting – Introduction’](https://www.youtube.com/watch?v=uyK_Dv9Bmb4&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=4) (6 minutes)
* Watch [tutor2u video ‘Calculating Budget Variances’](https://www.youtube.com/watch?v=3VnOhCr6FHE&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=5) (7 minutes)
* Watch [tutor2u video ‘Break Even Analysis: Contribution and Contribution Per Unit’](https://www.youtube.com/watch?v=mN8dGY57IBk&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=6) (9 minutes)
* Watch [tutor2u video ‘Break Even Analysis: Margin of Safety’](https://www.youtube.com/watch?v=QpVVN3VpOlU&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=7) (11 minutes)
* Watch [TakingTheBiz video ‘Break Even Diagrams’](https://www.youtube.com/watch?v=PnSUwXt4enE&list=PLcWPAWkNIoiCm-ZW4MrWaiSMp-iRPsG75&index=40) (11 minutes)
* Read our [‘Formulae and Key Data’](https://filestore.aqa.org.uk/resources/business/AQA-7131-7132-FORMULAE.PDF) teaching guide for the gross profit, profit from operations and profit for the year formulae (section 11)
* Watch [tutor2u video ‘Calculating Gross Profit and Gross Profit Margin’](https://www.youtube.com/watch?v=e2DI6B7BWzs&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=8) (4 minutes)

Resources continued

* Watch [tutor2u video ‘Calculating Operating Profit and Operating Profit Margin’](https://www.youtube.com/watch?v=iMI5GRVRBg4&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=9) (4 minutes)
* Watch [tutor2u video ‘Cash Flow Objectives’](https://www.youtube.com/watch?v=TwpljPdMNK0&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=17) (3 minutes)
* Watch [Tales From the Board video ‘Cash Flow Forecasting’](https://www.youtube.com/watch?v=kpOYYC9M5_w) (includes the structure of forecasts, how to calculate net cash flow and balances, the impact of credit terms and how to interpret a forecast, 13 minutes)
* Read [tutor2u study presentation ‘Cash Flow Forecasting for Startups and Small Businesses’](https://www.tutor2u.net/business/reference/cash-flow-forecasting-for-startups-and-small-businesses) (4 minutes)
* Read [tutor2u study notes ‘Causes of Cash Flow Problems’](https://www.tutor2u.net/business/reference/causes-of-cash-flow-problems) (2 minutes)
* Read [tutor2u study notes ‘Handling Cash Flow Problems’](https://www.tutor2u.net/business/reference/handling-cash-flow-problems) (2 minutes)

**3.5 Decision making to improve financial performance**

**Specification reference**

3.5.3 Making financial decisions: sources of finance.

**Learning outcomes**

* To learn about internal and external sources of finance.
* To understand the advantages and disadvantages of different sources of finance for short- and long-term uses**.**

**Suggested timing**

4 hours

**Guidance**

Sources of finance should include:

* debt factoring
* overdrafts
* retained profits
* share capital
* loans
* venture capital.

Resources

* Watch [tutor2u video ‘Sources of Finance: Debt Factoring’](https://www.youtube.com/watch?v=Q5vEcS4H9U4&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=11) (4 minutes)
* Watch [tutor2u video ‘Sources of Finance: Bank Overdraft and Loans’](https://www.youtube.com/watch?v=fVU5Ofn1TCg&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=12) (7 minutes)
* Watch [tutor2u video ‘Sources of Finance: Retained Profit’](https://www.youtube.com/watch?v=0oXcKSO5I0A&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=13) (5 minutes)
* Read [tutor2u study notes ‘ Sources of Finance: Venture Capital’](https://www.tutor2u.net/business/reference/finance-venture-capital) (4 minutes)
* Read [tutor2u study notes ‘Raising Finance by Issuing Share Capital’](https://www.tutor2u.net/business/reference/raising-finance-by-issuing-share-capital) (1 minute)
* Read [The Guardian article ‘Crowdfunder Saves Corner Shop After Melted Chocolate Calamity’](https://www.theguardian.com/uk-news/2022/aug/03/crowdfunder-saves-corner-shop-after-melted-chocolate-calamity) (1 minute)

**3.5 Decision making to improve financial performance**

**Specification reference**

3.5.4 Making financial decisions: sources of finance.

**Learning outcomes**

* To learn about methods of improving cash flow.
* To learn about methods of improving profits and profitability.
* To learn about difficulties improving cash flow and profit**.**

**Suggested timing**

3 hours

**Guidance**

* You should be able to assess ways of improving cash flow.
* You should be able to assess ways of improving profitability.

Resources

* Watch [tutor2u video ‘Cash Flow Management: Improving Cash Flow’](https://www.youtube.com/watch?v=P6sJYQEo4Dw&list=PLp8BSCLLWBUAL8DaqCq34i2WDb_lhHNvW&index=14) (7 minutes)
* Read [tutor2u study notes ‘Methods of Improving Profit’](https://www.tutor2u.net/business/reference/methods-of-improving-profit) (3 minutes)

3.6 Decision making to improve human resources performance

**Specification reference**

3.6.1 Setting human resource objectives.

**Learning outcomes**

* To understand the value of setting human resource objectives.
* To learn about internal and external influences on human resources objectives and decisions.

**Suggested timing**

2 hours

**Guidance**

* Human resource objectives include:
* employee engagement and involvement
* talent development
* training
* diversity
* alignment of values
* number, skills and location of employees.
* Influences on human resource objectives such as soft and hard human resource management (HRM) approaches.

Resources

* Listen to our [teaching guide podcast ‘Decision Making to Improve Human Resource Performance’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-decision-making-to-improve-human-resource-performance-podcast) (10 minutes)
* Watch [tutor2u video ‘Human Resource Management Objectives’](https://www.youtube.com/watch?v=EaMOQzgMMIQ&list=PLp8BSCLLWBUAqp2ogqpsgWJ99dYiYXz27&index=12) (5 minutes)
* Read [tutor2u study notes ‘Workforce Planning’](https://www.tutor2u.net/business/reference/workforce-planning) (2 minutes)
* Watch [tutor2u video ‘Soft and Hard Approaches to Human Resource Management’](https://www.youtube.com/watch?v=RDYrUcP-EiM&list=PLp8BSCLLWBUAqp2ogqpsgWJ99dYiYXz27&index=1) (7 minutes)
* Watch [tutor2u video ‘Internal and External Influences on Human Resource Management’](https://www.youtube.com/watch?v=HWD_NE4GqT8&list=PLp8BSCLLWBUAqp2ogqpsgWJ99dYiYXz27&index=14) (6 minutes)
* View [BBC’s ‘Diversity and Inclusion: Creating an Inclusive Workforce’ webpage](https://www.bbc.co.uk/diversity) and use the information to promote discussion
* Watch [‘How are offices changing?’](https://www.youtube.com/watch?v=BtSWnWmbHZk) (10 minutes)
* Read [Construction News ‘How is the Industry Coping with Post-Brexit Labour Changes?’](https://www.constructionnews.co.uk/brexit/how-is-the-industry-coping-with-post-brexit-labour-changes-10-08-2022/) (5 minutes)

3.6 Decision making to improve human resources performance

**Specification reference**

3.6.2 Analysing human resources performance.

**Learning outcomes**

* To calculate and interpret human resource data.
* To understand the use of data for human resource decision making and planning.

**Suggested timing**

4 hours

**Guidance**

* You should be able to calculate and interpret:
* labour turnover and retention rates
* labour productivity
* employee costs as percentage of turnover
* labour cost per unit.

Resources

* Read our [‘Formulae and Key Data’](https://filestore.aqa.org.uk/resources/business/AQA-7131-7132-FORMULAE.PDF) teaching guide (sections 7, 16, 17, 18, and 19)
* Watch [tutor2u video ‘Staff Retention and Labour Turnover’](https://www.youtube.com/watch?v=vyElwYf1NaA&list=PLp8BSCLLWBUAqp2ogqpsgWJ99dYiYXz27&index=2) (includes problems of high staff turnover, factors that affect staff turnover and ways to improve staff turnover, 10 minutes)
* Read [Big Hospitality article ‘High Rates of Hospitality Staff Turnover Persist as Headcounts Rise’](https://www.bighospitality.co.uk/Article/2022/08/02/high-rates-of-hospitality-staff-turnover-persist-as-headcounts-rise?utm_source=copyright&utm_medium=OnSite&utm_campaign=copyright) (3 minutes)

3.6 Decision making to improve human resources performance

**Specification reference**

### 3.6.3 Making human resource decisions: improving organisational design and managing the human resource flow.

**Learning outcomes**

* To learn about influences on job design.
* To learn about influences on organisation design.
* To learn about influences on delegation, centralisation and decentralisation.
* To learn about the value of changing job and organisational design.
* To understand how managing the human resource flow helps meet human resource objectives.

**Suggested timing**

6 hours

**Guidance**

* Job design to include Hackman and Oldham’s model.
* Decisions relating to organisational design include:
* authority
* span
* hierarchy
* delegation
* centralisation and decentralisation.
* Human resource flow to include:
* human resource plan
* recruitment
* training
* redeployment
* redundancy.

Resources

* Read our [‘Hackman and Oldham’s Model of Job Design’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-hackman-and-oldhams-model-of-job-design) teaching guide (1 minute)
* Watch [tutor2u video ‘Hackman & Oldham's Job Characteristics Model’](https://www.youtube.com/watch?v=tWBLeOD8SN8&list=PLp8BSCLLWBUAqp2ogqpsgWJ99dYiYXz27&index=4) (4 minutes)
* Read [tutor2u study presentation](https://www.tutor2u.net/business/reference/improving-organisational-structures-revision-presentation) ‘Improving Organisational Structures’ (8 minutes)
* Watch [tutor2u video ‘Delegation Explained’](https://www.youtube.com/watch?v=Fhv32O_fg1A&list=PLp8BSCLLWBUAqp2ogqpsgWJ99dYiYXz27&index=5) (5 minutes)
* Watch [tutor2u video ‘Centralisation and Decentralisation in Business Decision Making’](https://www.youtube.com/watch?v=M1sV6YhxQD8&list=PLp8BSCLLWBUAqp2ogqpsgWJ99dYiYXz27&index=6) (10 minutes)

3.6 Decision making to improve human resources performance

**Specification reference**

### 3.6.4 Making human resource decisions: improving motivation and engagement.

**Learning outcomes**

* To learn about the benefits of motivated and engaged employees.
* To understand how to improve employee engagement and motivation.
* To understand the value of theories of motivation.
* To learn about the use of financial methods of motivation.
* To learn about the use of non-financial methods of motivating employees.
* To learn about influences on the choice and assessment of the effectiveness of financial and non-financial rewards systems.

**Suggested timing**

4 hours

**Guidance**

* Theories of motivation should include Taylor, Maslow and Herzberg.
* Financial methods of motivation should include:
* piece rate
* commission
* salary schemes
* performance-related pay.

Resources

* Read our [‘Motivation’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-motivation) (3 minutes)
* Watch [Two Teachers video ‘The Importance of Motivation in the Workplace’](https://www.youtube.com/watch?v=a-IiJT_2j84) (5 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/motivationintheworkplace/) with this video
* Watch [tutor2u video ‘Motivation Theory: Taylor (Scientific Management)’](https://www.youtube.com/watch?v=z4qdXvodZaE&list=PLp8BSCLLWBUAqp2ogqpsgWJ99dYiYXz27&index=7) (includes explanation of piece rate, 7 minutes)
* Watch [Two Teachers video ‘Maslow’s Hierarchy of Need Explained’](https://www.youtube.com/watch?v=0RSXdJ0QAf4&t=12s) (applies theory to a well-known burger chain, 13 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/maslowshierarchyofneedsrd/) with this video
* Watch [Tales from the Board video ‘Herzberg’s Two Factor Theory’](https://www.youtube.com/watch?v=i6gD9ZKiElk) (includes excerpts from Herzberg’s original ‘jumping for jelly beans’ speech (12 minutes)
* Watch [Two Teachers video ‘Non-Financial Motivation’](https://www.youtube.com/watch?v=YQ2uhzmqJDY&t=16s) (includes benefits and drawbacks of each method, 11 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/methodsofnonfinancialmotivation) with this video
* Watch [tutor2u video ‘Financial Methods of Motivation’](https://www.youtube.com/watch?v=Uh8Gyy_myUY) (4 minutes)
* Watch [inside the massive headquarters of a global tech firm](https://www.youtube.com/watch?v=Z-pT0XDYvDM) and identify the different methods of motivation (7 minutes)
* Read HR news [‘Over 76% of Employees Want Flexible Working Hours’](https://hrnews.co.uk/over-76-of-employees-want-flexible-working-hours/) (includes examples of financial and non-financial methods of motivation, 4 minutes)

3.6 Decision making to improve human resources performance

**Specification reference**

### 3.6.5 Making human resource decisions: improving employer-employee relations.

**Learning outcomes**

* To learn about influences on the extent and methods of employee involvement in decision making.
* To learn about how to manage and improve employer-employee communications and relations.
* To understand the value of good employer-employee relations.

**Suggested timing**

3 hours

**Guidance**

Employee representation methods to include trade unions and works councils.

Resources

* Watch [tutor2u video ‘Employer and Employee Relations’](https://www.youtube.com/watch?v=Lx83q3mW0oo&list=PLp8BSCLLWBUAqp2ogqpsgWJ99dYiYXz27&index=11) (6 minutes )
* Watch [Bee Business Bee video ‘Effective Employee Relations’](https://www.youtube.com/watch?v=PYe4FzDIU7M) (focuses on effective workplace communication and employee representation, 7 minutes)
* Watch [Trades Union Congress video ‘What have the Trade Unions Done for Us?](https://www.youtube.com/watch?v=lrjySOFLXgg&t=39s)’ (5 minutes)
* Watch [Bizconsesh video ‘Value of Good Employer-Employee Relations’](https://www.youtube.com/watch?v=rg8xSwX1HbE&t=5s) (2 minutes)
* Read [BBC news article ‘Why is Everyone Going on Strike?’](https://www.bbc.co.uk/news/business-62134314) and discuss (4 minutes)
* Read [CNBC ‘Unions are Forming at Starbucks, Apple and Google. Here’s why workers are organising now’](https://www.cnbc.com/2022/08/05/why-starbucks-apple-and-google-are-unionizing-now-for-the-first-time.html) (8 minute read) and watch the video (13 minutes) for a US perspective

3.7 Analysing the strategic position of a business (A-level only)

**Specification reference**

3.7.1 Mission, corporate objectives and strategy.

**Learning outcomes**

* To learn about influences on the mission of a business.
* To learn about internal and external influences on corporate objectives and decisions.
* To understand the distinction between strategy and tactics.
* To learn about the links between mission, corporate objectives and strategy.
* To learn about the impact of strategic decision making on functional decision making.
* To understand the value of SWOT (strengths, weaknesses, opportunities, threats) analysis.

**Suggested timing**

6 hours

**Guidance**

Influences on corporate objectives should include the pressures for short termism, business ownership, the external and internal environment.

Resources

* Listen to our [teaching guide podcast ‘Analysing the Strategic Position of a Business’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-analysing-the-strategic-position-of-a-business-a-level-only-podcast) (introduce all concepts in section 3.7 of the specification, 24 minutes)
* Watch [tutor2u video ‘Strategic Planning: Overview’](https://www.youtube.com/watch?v=VcWI3WVXmFk&list=PLp8BSCLLWBUANAHqZpkYODAlZ1StzOhL3&index=6) (5 minutes)
* Watch [tutor2u video ‘Internal and External Influences on Corporate Objectives’](https://www.youtube.com/watch?v=nySfxicxfIg&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=31) (5 minutes)
* Watch [tutor2u video ‘What is the Difference between Strategy and Tactics’](https://www.youtube.com/watch?v=uRgQlW4qRTo&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=2) (5 minutes)
* Watch [tutor2u video ‘Short-termism Explained’](https://www.youtube.com/watch?v=j5VBarJ3PxI&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=11) (6 minutes)
* Read our [‘SWOT analysis’](https://www.youtube.com/watch?v=j5VBarJ3PxI&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=11) teaching guide (1 minute)
* Watch Two Teachers [video ‘What is a SWOT analysis?’](https://www.youtube.com/watch?v=Za3FVNBn6Q4&t=2s) (applied to an American multinational technology company that focuses on e-commerce and digital streaming, 9 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/swot-analysis-activity-worksheet/) with this video
* Read [Business Strategy Hub’s SWOT analysis of a global coffeehouse chain](https://bstrategyhub.com/swot-analysis-of-starbucks-starbucks-swot/) (8 minutes)

3.7 Analysing the strategic position of a business (A-level only)

**Specification reference**

3.7.2 Analysing the existing internal position of a business to assess strengths and weaknesses: financial ratio analysis.

**Learning outcomes**

* To learn about how to assess the financial performance of a business using balance sheets, income statements and financial ratios.
* To understand the value of financial ratios when assessing performance.

**Suggested timing**

9 hours

**Guidance**

* Financial ratio analysis to include:
* profitability (return on capital employed)
* liquidity (current ratio)
* gearing
* efficiency ratios: payables days, receivables days, inventory turnover.

Resources

* Read our [‘Formulae and Key Data’](https://filestore.aqa.org.uk/resources/business/AQA-7131-7132-FORMULAE.PDF) teaching guide (sections 20 to 26)
* Read [tutor2u study notes ‘Income Statement – Introduction’](https://www.tutor2u.net/business/reference/income-statement-introduction) (2 minutes)
* Watch the [tutor2u video ‘Introduction to the Balance Sheet’](https://www.youtube.com/watch?v=Syu2sKv05rQ&t=2s) (7 minutes)
* Read [tutor2u study notes ‘Balance Sheet – Introduction’](https://www.tutor2u.net/business/reference/balance-sheet-introduction) (covers why the balance sheet balances, 1 minute)
* Watch [tutor2u video ‘Ratio Analysis: Return on Capital Employed’](https://www.youtube.com/watch?v=wrk_XZJYXy4&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=4) (includes worked example, 8 minutes)
* Watch [TakingTheBiz video ‘The Current Ratio’](https://www.youtube.com/watch?v=lKWOQYpQNw0&list=PLcWPAWkNIoiDfGskrKoAu5K0yKO4MMPMX&index=23) (9 minutes)
* Watch [TakingTheBiz video ‘Gearing Ratio’](https://www.youtube.com/watch?v=3offFagEWKg&list=PLcWPAWkNIoiDfGskrKoAu5K0yKO4MMPMX&index=18) (8 minutes)
* Watch [tutor2u video ‘Financial Ratios: Receivables and Payables Days’](https://www.youtube.com/watch?v=dY4wX-7-dtI&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=7) (7 minutes)
* Watch [tutor2u video ‘Ratio Analysis: Inventory (stock) Turnover’](https://www.youtube.com/watch?v=oIN86FQGmg4&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=8) (6 minutes)

3.7 Analysing the strategic position of a business (A-level only)

**Specification reference**

3.7.3 Analysing the existing internal position of a business to assess strengths and weaknesses: overall performance.

**Learning outcomes**

* To learn about how to analyse data other than financial statements to assess the strengths and weaknesses of a business.
* To understand the importance of core competences.
* To learn about assessing short- and long-term performance.
* The value of different measures of assessing business performance.

**Suggested timing**

7 hours

**Guidance**

* Data other than financial statements should include operations, human resource and marketing data.
* Data may be analysed over time or in comparison with other businesses.
* Methods of assessing overall business performance to include:
* Kaplan and Norton’s Balanced Scorecard model
* Elkington’s Triple Bottom line (profit, people, planet).

Resources

* Watch [tutor2u video ‘Core Competencies Explained’](https://www.youtube.com/watch?v=M9Rot4AWOWY) (includes examples, 8 minutes)
* Read our [‘Kaplan and Norton’s Balanced Scorecard Model’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-kaplan-and-nortons-balanced-storecard-model) (1 minute)
* Watch [tutor2u video ‘Kaplan and Norton’s Balanced Scorecard Explained’](https://www.youtube.com/watch?v=OZtNk__7Qyg) (includes benefits and drawbacks, 7 minutes)
* Read our [‘Elkington’s Triple Bottom Line’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-elkingtons-triple-bottom-line) (1 minute)
* Watch [tutor2u video ‘Elkington’s Triple Bottom Line’](https://www.youtube.com/watch?v=x9WvCJ3oOL0) (4 minutes)
* Watch [‘Triple bottom line (3 pillars): sustainability in business’](https://www.youtube.com/watch?v=2f5m-jBf81Q) video that presents the concept of the triple bottom line and uses science to suggest a different way to look at it (4 minutes)
* Read [BBC news article ‘Why do Companies Get Involved in Social Issues?’](https://www.bbc.co.uk/news/business-62139217) (5 minutes)

3.7 Analysing the strategic position of a business (A-level only)

**Specification reference**

3.7.4 Analysing the external environment to assess opportunities and threats: political and legal change.

**Learning outcomes**

To learn about the impact of changes in the political and legal environment on strategic and functional decision making.

**Suggested timing**

3 hours

**Guidance**

* The political and legal environment should include a broad understanding of the scope and effects of UK and EU law related to competition, the labour market and environmental legislation.
* The impact of UK and EU Government policy related to enterprise, the role of regulators, infrastructure, the environment and international trade.

Resources

* Watch [tutor2u video ‘Business and Competition Legislation’](https://www.youtube.com/watch?v=sb0CGyp9MQg&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=14) (4 minutes)
* Watch [tutor2u video ‘Business and Labour Market Legislation’](https://www.youtube.com/watch?v=7BxiAKqZu1g&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=15) (5 minutes)
* Watch [tutor2u video ‘Environmental Legislation and Business’](https://www.youtube.com/watch?v=rVsaGJINm74&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=16) (3 minutes)
* Review the [cases on the Competition and Markets Authority (CMA) website](https://www.gov.uk/cma-cases) and discuss in relation to competition legislation
* Watch [BBC’s What’s New video ‘What is a Minimum Wage?’](https://www.youtube.com/watch?v=EBHfQ-igOoo) (3 minutes)
* Read [‘The Impact of Brexit on Retail: How Three Key Sectors Have Faired’](https://internetretailing.net/industry/the-impact-of-brexit-on-retail-how-three-key-sectors-have-faired/) (5 minutes)
* Read [BBC news article ‘Coronavirus: Government Unveils £1.3bn Scheme to Help Start-Ups’](https://www.bbc.co.uk/news/business-52348409) (2 minutes)
* Read and discuss [BBC news article ‘Labour Opposes Relaxing Sunday Trading Hours’](https://www.bbc.co.uk/news/business-52954739) (2 minutes)
* Read [The Guardian’s article ‘A Few Lionesses Will Get Everything: the Pay Gap in Woman’s Football’](https://www.theguardian.com/football/2022/jul/30/england-womens-football-pay-gap-lionesses) and discuss the Gender Pay Gap (3 minutes)
* Watch [BBC news video ‘Crossrail: Putting UK back on Infrastructure Map’](https://www.bbc.co.uk/news/av/uk-33033682) (3 minutes)
* Read [BBC news article ‘HS2: What is the route, when will it be finished and what will it cost?’](https://www.bbc.co.uk/news/uk-16473296) (5 minutes)

3.7 Analysing the strategic position of a business (A-level only)

**Specification reference**

3.7.5 Analysing the external environment to assess opportunities and threats: economic change.

**Learning outcomes**

* To learn about the impact of changes in the UK and the global economic environment on strategic and functional decision making.
* To understand reasons for greater globalisation of business.
* To learn about the importance of globalisation for business.
* To learn about the importance of emerging economies for business.

**Suggested timing**

8 hours

**Guidance**

* Economic factors to include:
* GDP
* taxation
* exchange rates
* inflation
* fiscal and monetary policy
* more open trade vs protectionism.
* You should be able to understand economic data, interpret changes in economic data for the UK, the European Union and globally, and consider the implications of such changes for business.

Resources

* Watch [TakingTheBiz video ‘How an Economy Works’](https://www.youtube.com/watch?v=GjX9f7Hem-4&list=PLcWPAWkNIoiDfGskrKoAu5K0yKO4MMPMX&index=24) (9 minutes)
* Watch [tutor2u video ‘Business and Economic Growth: GDP’](https://www.youtube.com/watch?v=b82S3AFHoE0&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=17) (4 minutes
* Read [BBC article ‘What is GDP?’](https://www.bbc.co.uk/news/business-13200758) (4 minutes)
* Watch [HMRC video ‘Tax Facts’](https://www.youtube.com/watch?v=O3dDaEkykto&t=127s) (5 minutes)
* Watch [HMRC video ‘What is Corporation Tax?’](https://www.youtube.com/watch?v=cASnzKx3d6o) (3 minutes)
* Read [BBC news article ‘Activists Cheer as ‘Sexist’ Tampon Tax is Scrapped’](https://www.bbc.co.uk/news/business-55502252) (3 minutes)
* Read [BBC news article ‘Soft Drink Sugar Tax Starts, But Will it Work?’](https://www.bbc.co.uk/news/health-43659124) (5 minutes)
* Watch [tutor2u video ‘Exchange Rates’](https://www.youtube.com/watch?v=D7ggEPyfuvg) (6 minutes)
* Watch [Bizconsesh video ‘Impacts of Exchange Rates’](https://www.youtube.com/watch?v=D2G51WsQNn4) (4 minutes)
* Watch [tutor2u video ‘Inflation and Business’](https://www.youtube.com/watch?v=7Za_5XFgTpg&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=18) (5 minutes)
* Watch ‘[How Does Raising Interest Rates Control Inflation’](https://www.youtube.com/watch?v=R8VBRCs2jTU) (8 minutes)
* View the latest [BBC news articles on ‘Inflation’](https://www.bbc.co.uk/news/topics/cg56g7wq85et)
* Watch [tutor2u video ‘Business and Fiscal and Monetary Policy’](https://www.youtube.com/watch?v=XHhXf9C4Fvg&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=19) (4 minutes)
* Watch [tutor2u video ‘Open Trade and Protectionism’](https://www.youtube.com/watch?v=PcF-xymKqCA&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=20) (4 minutes)
* Watch [TakingTheBiz video ‘Globalisation’](https://www.youtube.com/watch?v=w3ohMzkTdpk&list=PLcWPAWkNIoiDfGskrKoAu5K0yKO4MMPMX&index=43) (9 minutes)
* Watch [tutor2u video ‘What are Emerging Economies?’](https://www.youtube.com/watch?v=wFvjOrcXE5s&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=32) (3 minutes)

3.7 Analysing the strategic position of a business (A-level only)

**Specification reference**

3.7.6 Analysing the external environment to assess opportunities and threats: social and technological.

**Learning outcomes**

* To learn about the impact of the social and technological environment on strategic and functional decision making.
* To learn about the pressures for socially responsible behaviour.

**Suggested timing**

4 hours

**Guidance**

* Social changes to include demographic changes and population movements such as:
* urbanisation and migration
* changes in consumer lifestyle and buying behaviour
* the growth of online businesses.
* The social environment to include corporate social responsibility (CSR) and:
* the reasons for and against CSR
* the difference between the stakeholder vs shareholder concept
* Carroll’s Corporate Social Responsibility Pyramid.

Technological change should include the impact of technological change on functional areas and strategy.

Resources

* Watch [tutor2u video ‘Urbanisation and Migration’](https://www.youtube.com/watch?v=2HFQqq0uiJ8&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=21) (5 minutes)
* Watch [BBC news video ‘White Horse Village: Has Urbanising China Worked?’](https://www.bbc.co.uk/news/av/world-asia-china-33229731) (3 minutes)
* Read [tutor2u study notes ‘Social Environment and Business’](https://www.tutor2u.net/business/reference/social-environment-business) (5 minutes)
* Use the Guardian article [‘Lockdown lifestyles: how has Covid changed lives in the UK?](https://www.theguardian.com/lifeandstyle/ng-interactive/2022/feb/25/lockdown-lifestyles-how-lives-changed-covid-pandemic)’ to discuss the impact of these changes on businesses and industries
* Read [tutor2u study notes ‘Business and the Technological Environment’](https://www.tutor2u.net/business/reference/business-the-technological-environment) (5 minutes)
* Watch [tutor2u video ‘Corporate Social Responsibility during the Coronavirus Pandemic’](https://www.tutor2u.net/business/reference/corporate-social-responsibility-during-the-coronavirus-pandemic) (16 minutes)
* Read [the sustainability strategy of this leading British retailer](https://corporate.marksandspencer.com/sustainability) and explore how sustainability is addressed in different areas of the business
* Read about [chocolate makers on a mission to 100% slave free chocolate](https://tonyschocolonely.com/nl/en/our-mission) Watch [tutor2u video ‘Stakeholders and Shareholders Compared’](https://www.youtube.com/watch?v=jWQ7jdlnPCQ) (2 minutes)
* Read our [‘Carrol’s Corporate Social Responsibility Pyramid’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-carrolls-corporate-social-responsibility-pyramid) teaching guide (2 minutes)
* Watch [tutor2u video ‘ Carrol’s Corporate Social Responsibility Pyramid](https://www.youtube.com/watch?v=2_1TLhe8LY8) (4 minutes)
* Read [tutor2u blog ‘Business Objectives and Social Responsibility: Can A Business Make Too Much Profit Whilst Customers Suffer Financially?’](https://www.tutor2u.net/business/blog/business-objectives-and-social-responsibility-can-a-business-make-too-much-profit-whilst-customers-suffer-financially) and watch the linked video (6 minutes)

3.7 Analysing the strategic position of a business (A-level only)

**Specification reference**

3.7.7 Analysing the external environment to assess opportunities and threats: the competitive environment.

**Learning outcomes**

To learn about Porter’s five forces, how and why these might change, and the implications of these forces for strategic and functional decision making and profits.

**Suggested timing**

4 hours

**Guidance**

* An understanding of the five forces to include:
* entry threat (barriers to entry)
* buyer power
* supplier power
* rivalry
* substitute threat.
* You should consider how the five forces shape competitive strategy.

Resources

* Read our [‘Porter’s Five Forces’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-porters-five-forces) teaching guide (3 minutes)
* Watch [tutor2u video ‘Porter’s Five Forces Model of Industry Competition’](https://www.youtube.com/watch?v=cm9SsMa56r4&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=25) (21 minutes)
* Watch [Two Teachers video ‘Porter’s Five Forces Explained’](https://www.youtube.com/watch?v=30oFuYiYOp0&t=11s) (applies the model to the UK supermarket industry, 16 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/portersfiveforces/) with this video
* Read [BBC news article ‘Farmers in Fresh Protests Over Supermarket Milk Prices’](https://www.bbc.co.uk/news/uk-33777075) (2 minute read) and watch the video (5 minutes)
* Read [tutor2u blog ‘PESTLE in Action: Competition Regulators Force JD Sports to Sell Footyasylum at a Loss’](https://www.tutor2u.net/business/blog/pestle-in-action-competition-regulators-force-jd-sports-to-sell-footasylum-at-a-loss) and read the linked BBC news article (3 minutes)

3.7 Analysing the strategic position of a business (A-level only)

**Specification reference**

3.7.8 Analysing strategic options: investment appraisal.

**Learning outcomes**

* To understand financial methods of assessing an investment.
* To learn about the factors influencing investment decisions.
* To learn about the value of sensitivity analysis.

**Suggested timing**

6 hours

**Guidance**

Investment appraisal to include the calculation and interpretation of payback, average rate of return and net present value.

Resources

* Read our [‘Investment Appraisal’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-investment-appraisal) teaching guide (5 minutes)
* Read our [‘Formulae and Key Data’](https://filestore.aqa.org.uk/resources/business/AQA-7131-7132-FORMULAE.PDF) teaching guide (section 26)
* Watch [tutor2u video ‘Investment Appraisal: Payback Period’](https://www.youtube.com/watch?v=kEsZKO87TlU&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=27) (includes a worked example, 9 minutes)
* Watch [tutor2u video ‘Investment Appraisal: Average Rate of Return’](https://www.youtube.com/watch?v=-ICsKIB6AzI&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=27) (includes a worked example, 4 minutes)
* Watch [TakingTheBiz video ‘Net Present Value Method of Investment Appraisal](https://www.youtube.com/watch?v=aj20v1P5vRQ&list=PLcWPAWkNIoiDfGskrKoAu5K0yKO4MMPMX&index=3)’ (includes example, 11 minutes)
* Watch [tutor2u video ‘Factors Influencing Investment Decisions’](https://www.youtube.com/watch?v=tM5cDJOLqI0&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=29) (4 minutes)
* Read our [‘Sensitivity Analysis’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-sensitivity-analysis) teaching guide (1 minute)
* Watch the [tutor2u video ‘Sensitivity Analysis Explained: Business Forecasting’](https://www.youtube.com/watch?v=56-iiZEjqnU&list=PLp8BSCLLWBUCg7UQslXQ6CwH9p46eIFx2&index=30) (8 minutes)

3.8 Choosing strategic direction (A-level only)

**Specification reference**

3.8.1 Strategic direction: choosing which markets to compete in and what products to offer.

**Learning outcomes**

* To understand factors influencing which markets to compete in and which products to offer.
* To understand the reasons for choosing and value of different options for strategic direction.

**Suggested timing**

5 hours

**Guidance**

* Strategic direction to include the Ansoff Matrix and value of:
* market penetration
* market development
* new product development
* diversification.

Resources

* Listen to part 1 (choosing a strategic direction) of our [teaching guide podcast ‘Choosing a Strategic Direction and Strategic Methods’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-choosing-a-strategic-direction-and-strategic-methods-a-level-only-podcast)
* Read our [‘Ansoff Matrix Model’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-ansoff-matrix-model) teaching guide (2 minutes)
* Watch [tutor2u video ‘Ansoff Matrix Explained’](https://www.youtube.com/watch?v=CMFXsJxi05U&list=PLp8BSCLLWBUANAHqZpkYODAlZ1StzOhL3&index=1) (includes examples, 14 minutes)
* Read [tutor2u blog ‘Market Cannibalism at McD’s’](https://www.tutor2u.net/business/blog/market-cannibalism-at-mcds) and view the linked BBC news article (2 minutes)
* Read [tutor2u blog ‘Greggs Beefs Up Its Vegan Product Range with a Steak Bake’](https://www.tutor2u.net/business/blog/greggs-beefs-up-its-vegan-product-range-with-a-steak-bake) and watch the video (3 minutes)
* Read [tutor2u blog ‘Can Nestle Succeed With a Market Development Strategy in the Indian Pet Food Market?’](https://www.tutor2u.net/business/blog/can-nestle-succeed-with-a-market-development-strategy-in-the-indian-pet-food-market) and watch the video (2 minutes)
* Watch and discuss [‘why this large coffee chain failed in Australia’](https://www.youtube.com/watch?v=_FGUkxn5kZQ) (6 minutes)

3.8 Choosing strategic direction (A-level only)

**Specification content**

3.8.2 Strategic positioning: choosing how to compete.

**Learning outcomes**

* To learn about how to compete in terms of benefits and price.
* To learn about influences on the choice of a positioning strategy.
* To learn about the value of different strategic positioning strategies.
* To understand the benefits of having a competitive advantage.
* To understand the difficulties of maintaining a competitive advantage.

**Suggested timing**

4 hours

**Guidance**

* Strategic positioning to include:
* Porter’s low cost, differentiation and focus strategies
* Bowman’s strategic clock.

Resources

* Listen to part 2 (strategic positioning) of our [teaching guide podcast ‘Choosing a Strategic Direction and Strategic Methods’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-choosing-a-strategic-direction-and-strategic-methods-a-level-only-podcast) (part 2 begins at 3 minutes and 19 seconds)
* Read [tutor2u study notes ‘Competitive Advantage’](https://www.tutor2u.net/business/reference/competitive-advantage) (3 minutes)
* Read our [‘Porter’s Strategies’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-porters-strategies) teaching guide (2 minutes)
* Watch [tutor2u video ‘Porter’s Generic Strategies’](https://www.youtube.com/watch?v=i66HWNCwUTs&list=PLp8BSCLLWBUANAHqZpkYODAlZ1StzOhL3&index=3) (10 minutes)
* Read our [‘Bowman’s Strategic Clock’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-bowmans-strategic-clock) teaching guide (1 minute)
* Watch [tutor2u video ‘Bowman’s Strategic Clock’](https://www.youtube.com/watch?v=hsV1mraa4AI&list=PLp8BSCLLWBUANAHqZpkYODAlZ1StzOhL3&index=2) (11 minutes)
* Watch [tutor2u video ‘Influences on the Choice of Strategic Positioning’](https://www.youtube.com/watch?v=AJKEmfh8Q3c&list=PLp8BSCLLWBUANAHqZpkYODAlZ1StzOhL3&index=4) (5 minutes)

3.9 Strategic methods: how to pursue strategies (A-level only)

**Specification reference**

3.9.1 Assessing a change in scale.

**Learning outcomes**

* To understand the reasons why businesses grow or retrench.
* To understand the difference between organic and external growth.
* To learn about how to manage and overcome the problems of growth or retrenchment.
* To learn about the impact of growth or retrenchment on the functional areas of the business.
* To assess methods and types of growth.

**Suggested timing**

9 hours

**Guidance**

* Types of growth to include organic and external.
* Issues with growth should include:
* economies of scale (including technical, purchasing and managerial)
* economies of scope
* diseconomies of scale
* the experience curve
* synergy
* overtrading.
* Issues with managing growth should include Greiner’s model of growth.
* Methods of growth to include mergers, takeovers, ventures, franchising.
* Types of growth to include vertical (backward and forward), horizontal and conglomerate integration.

Resources

* Listen to part 3 (strategic methods) of our [teaching guide podcast ‘Choosing a Strategic Direction and Strategic Methods’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-choosing-a-strategic-direction-and-strategic-methods-a-level-only-podcast) (part 3 begins at 7 minutes and 24 seconds and covers 3.9.1, 3.9.2, 3.9.3 and 3.9.4)
* Watch [tutor2u videos 1 to 9 in the ‘3.9 Strategic Methods – How to Pursue Strategies, AQA A-level Business Playlist’](https://www.youtube.com/playlist?list=PLp8BSCLLWBUD_NS6IT6oDexR05DzPLKst) (includes videos for all points in the guidance above)
* Read our [‘Grenier’s Model of Growth’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-greniers-model-of-growth) teaching guide (3 minutes)
* Watch [Two Teachers video ‘How Franchising Works’](https://www.youtube.com/watch?v=rG-EkVJFv2Q&t=4s) (includes advantages and disadvantages and uses a well-known burger chain example, 5 minutes). There is a [free activity worksheet](https://www.twoteachers.co.uk/franchising/) with this video
* Explore franchising opportunities on the [Franchise UK website](https://www.franchise-uk.co.uk/)
* Read [‘Tesco Sells Giraffe Restaurant Chain and Turkish Business’](https://www.bbc.co.uk/news/business-36496884) by BBC news (1 minute)
* Read  [‘Tesla Makes Offer to Buy SolarCity’](https://www.bbc.co.uk/news/business-36593549) by BBC news (1 minute)

3.9 Strategic methods: how to pursue strategies (A-level only)

Specification reference

3.9.2 Assessing innovation.

**Learning outcomes**

* To learn about the pressures of innovation.
* To understand the value of innovation.
* To learn about ways of becoming an innovative organisation.
* To learn about how to protect innovation and intellectual property.
* To learn about the impact of an innovation strategy on the functional areas of the business.

**Suggested timing**

4 hours

**Guidance**

* Types of innovation should include product and process innovation.
* Ways of becoming innovative include:
* kaizen
* research and development
* intrapreneurship
* benchmarking.
* Ways of protecting intellectual property include patents and copyrights.

Resources

* Read [tutor2u study notes ‘Product and Process Innovation’](https://www.tutor2u.net/business/reference/innovation-introduction) (1 minute)
* Watch [‘Organised for Innovation: The Functional Organisation’](https://www.youtube.com/watch?v=5hENFA3CJUY) an American multinational technology company (5 minutes)
* Watch [‘Business Model Innovation’](https://www.youtube.com/watch?v=avWVPaJFgFk) of three well known firms (5 minutes)
* Watch [‘Principles of Innovation’ at an American multinational tech company that focuses on search engine technology](https://www.youtube.com/watch?v=deDncBTgy5I) (8 minutes)
* Read [tutor2u blog ‘Product Innovation & Marketing Strategy in Action: The Stunning Growth in E-Bikes’](https://www.tutor2u.net/business/blog/product-innovation-marketing-strategy-in-action-the-stunning-growth-in-e-bikes) and watch the video (8 minutes)
* Read [tutor2u study notes ‘Innovation Benefits and Risks’](https://www.tutor2u.net/business/reference/innovation-benefits-risks) (2 minutes)
* Watch [tutor2u video ‘Kaizen: Continuous Improvement in Business Processes’](https://www.youtube.com/watch?v=F42aOtPkdWM&list=PLp8BSCLLWBUD_NS6IT6oDexR05DzPLKst&index=11) (2 minutes)
* Watch [‘Kaizen, the Secret Behind Japanese Productivity’](https://www.youtube.com/watch?v=fcBXtwGexNc) (4 minutes)
* Read [tutor2u study notes ‘Research and Development and New Products’](https://www.tutor2u.net/business/reference/new-products) (1 minute)
* Watch [‘Welcome to R&D’](https://www.youtube.com/watch?v=y4LeCYj1luE) (research and development at a multinational food and drink processing conglomerate corporation, 3 minutes)
* Watch ‘[TMHE’s Way: Kaizen’](https://www.youtube.com/watch?v=Ohu9WH3a5FM) (Japanese car manufacturer) (2 minutes)
* Watch [tutor2u video ‘Intrapreneurship in Business’](https://www.youtube.com/watch?v=steCXw2Cw40&list=PLp8BSCLLWBUD_NS6IT6oDexR05DzPLKst&index=12) (6 minutes)
* Watch [tutor2u video ‘Benchmarking’](https://www.youtube.com/watch?v=8mY2YrYAE-U&list=PLp8BSCLLWBUD_NS6IT6oDexR05DzPLKst&index=13) (5 minutes)
* Watch [tutor2u video ‘Protecting Intellectual Property – Patents and Copyright’](https://www.youtube.com/watch?v=S0YjnL2mGgQ&list=PLp8BSCLLWBUD_NS6IT6oDexR05DzPLKst&index=14) (3 minutes)
* Watch [Tedx Talk video ‘The Art of Innovation’](https://www.youtube.com/watch?v=Mtjatz9r-Vc) (21 minutes)

3.9 Strategic methods: how to pursue strategies (A-level only)

Specification reference

3.9.3 Assessing internationalisation.

**Learning outcomes**

* To learn about reasons for targeting, operating in and trading with international markets.
* To understand factors influencing the attractiveness of international markets.
* To learn about reasons for producing more and sourcing more resources abroad.
* To learn about ways of entering international markets and value of different methods.
* To learn about influences on buying, selling and producing abroad.
* To learn about managing international business including pressures for local responsiveness and pressures for cost reduction.
* To understand the impact of internationalisation for the functional areas of the business.

**Suggested timing**

11 hours

**Guidance**

* Methods of entering international markets include:
* export
* licensing
* alliances
* direct investment.
* Decisions regarding producing overseas include off-shoring and re-shoring.
* Targeting overseas markets may include being a multinational.
* Managing international business incudes Bartlett and Ghoshal’s international, multi-domestic, transnational and global strategies.

Resources

* Watch [tutor2u videos 15 to 20 in the ‘3.9 Strategic Methods – How to Pursue Strategies, AQA A-level Business Playlist’](https://www.youtube.com/playlist?list=PLp8BSCLLWBUD_NS6IT6oDexR05DzPLKst)
* Read our [‘Bartlett and Ghosal’s international, multidomestic, transnational and global strategies’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-bartlett-and-ghoshals-international-multi-domestic-transnational-and-global-strategies) teaching guide (4 minutes)
* Watch [Tales from the Board video ‘Bartlett & Ghoshal’s Model of International Growth’](https://www.youtube.com/watch?v=sF6wgDYhKMA) (includes examples, 5 minutes)

3.9 Strategic methods: how to pursue strategies (A-level only)

Specification reference

3.9.4 Assessing greater use of digital technology.

**Learning outcomes**

* To learn about the pressures to adopt digital technology.
* To understand the value of digital technology.
* To learn about the impact of digital technology on the functional areas of the business.

**Suggested timing**

4 hours

**Guidance**

Digital technology should include e-commerce, big data, data mining and enterprise resource planning (ERP).

Resources

* Watch [tutor2u videos 21 to 23 in the ‘3.9 Strategic Methods – How to Pursue Strategies, AQA A-level Business Playlist’](https://www.youtube.com/playlist?list=PLp8BSCLLWBUD_NS6IT6oDexR05DzPLKst)
* Watch the presentation video [‘The Impact of Digital Technology on Functional Areas’](https://www.youtube.com/watch?v=kcZSoUbyk4w) (9 minutes)
* Read [‘Recession in Real Time: How Big Data Can Track the Covid slump’](https://www.theguardian.com/business/2020/aug/08/recession-in-real-time-big-data-covid-slump-economy-unconventional-indicators) (8 minutes)
* Read [‘Enterprise Resource Planning (ERP) Gains Ground in Supply Chain Management’](https://www.logisticsmgmt.com/article/enterprise_resource_planning_erp_gains_ground_in_supply_chain_management) (5 minutes)
* Read [‘Why Walmart Always Stocks Up On Strawberry Pop-Tarts Before a Hurricane’](https://www.countryliving.com/food-drinks/a44550/walmart-strawberry-pop-tarts-before-hurricane/) (1 minute)

3.10 Managing strategic change (A-level only)

**Specification reference**

3.10.1 Managing change.

**Learning outcomes**

* To learn about causes of pressures for change.
* To understand the value of change.
* To understand the value of a flexible organisation.
* To understand the value of managing information and knowledge.
* To learn about barriers to change.
* To learn how to overcome barriers to change.

**Suggested timing**

11 hours

**Guidance**

* Types of change include:
* internal change
* external change
* incremental change
* disruptive change.
* Managing change should include:
* Lewin’s force field analysis.
* Flexible organisations include:
* restructuring
* delayering
* flexible employment contracts
* organic structures vs mechanistic
* knowledge and information management.
* Kotter and Schlesinger’s four reasons for resistance to change.

Resources

* Listen to part 1 (managing change) of our [teaching guide podcast ‘Managing Strategic Change’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-managing-strategic-change-a-level-only-podcast) (part 1 begins at 2 minutes and 23 seconds)
* Watch [tutor2u videos 1 to 9 in the ‘3.10 Managing Change AQA A-level Business Playlist](https://www.youtube.com/playlist?list=PLp8BSCLLWBUAk-JeVCPkGtvrRiSbTmmZu)’
* Read our ‘[Lewin’s Force Field Analysis’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-lewins-force-field-analysis) (1 minute)
* Read our [‘Kotter and Schlesinger's reasons for resistance to change’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-kotter-and-schlesingers-reasons-for-resistance-to-change) (2 minutes)
* Read our [‘Kotter and Schlesinger's model for overcoming resistance to change’ teaching guide’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-kotter-and-schlesingers-model-for-overcoming-resistance-to-change) (2 minutes)
* Watch [‘What is change management?](https://www.youtube.com/watch?v=__IlYNMdV9Eandfeature=kp)’ (3 minutes)
* Watch [‘Do Zero Hours Contracts Create Real Jobs?’](https://www.bbc.co.uk/news/av/uk-19263787) (8 minutes)

3.10 Managing strategic change (A-level only)

**Specification reference**

3.10.2 Managing organisational culture.

**Learning outcomes**

* To understand the importance of organisational culture.
* To learn about the influences on organisational culture.
* To learn about the reasons for and problems of changing organisational culture**.**

**Suggested timing**

4 hours

**Guidance**

* Cultural models should include:
* Handy’s task culture, role culture, power culture and person culture
* Hofstede’s national cultures.

Resources

* Listen to part 2 (organisational culture) or our [teaching guide podcast ‘Managing Strategic Change’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-managing-strategic-change-a-level-only-podcast) (part 2 begins at 6 minutes and 26 seconds)
* Watch [tutor2u videos 10 to 14 in the ‘3.10 Managing Change AQA A-level Business Playlist](https://www.youtube.com/playlist?list=PLp8BSCLLWBUAk-JeVCPkGtvrRiSbTmmZu)’
* Read our ‘[Handy’s Culture’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-handys-culture) (1 minute)
* Read our [‘Hofstede’s national cultures’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-hofstedes-national-cultures) (2 minutes)
* Watch ‘[Hofstede’s Model on Cultural Dimensions](https://www.youtube.com/watch?v=lTY6LH9WdZ4)’ (6 minutes)
* Watch ‘[Geert Hofstede – The recent discovery about cultural differences](https://www.youtube.com/watch?v=LBv1wLuY3Ko)’ (30 minutes)

3.10 Managing strategic change (A-level only)

**Specification reference**

3.10.3 Managing strategic implementation.

**Learning outcomes**

* To learn how to implement strategy effectively.
* To understand the value of leadership in strategic implementation.
* To understand the value of communication in strategic implementation.
* To understand the importance of organisational structure in strategic implementation.
* To understand the value of network analysis in strategic implementation.

**Suggested timing**

8 hours

**Guidance**

* Organisational structures to include: functional, product based, regional and matrix structure.
* Network analysis to include:
* understanding and interpreting network diagrams
* amendment of network diagrams
* identifying the critical path and the total float.

Resources

* Listen to part 3 (implementing strategy) or our [teaching guide podcast ‘Managing Strategic Change’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-managing-strategic-change-a-level-only-podcast) (part 2 begins at 9 minutes and 55 seconds)
* Read our [‘Network Analysis’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-network-analysis) (2 minutes)
* Watch [tutor2u videos 15 to 16 in the ‘3.10 Managing Change AQA A-level Business Playlist](https://www.youtube.com/playlist?list=PLp8BSCLLWBUAk-JeVCPkGtvrRiSbTmmZu)’
* Watch [Tales from The Board ‘Critical Path Analysis Explained’](https://www.youtube.com/watch?v=YndeX-U04HA) (includes example, 22 minutes)
* Watch [TakingTheBiz ‘Critical Path Analysis’](https://www.youtube.com/watch?v=72HY3-d_QNU&list=PLcWPAWkNIoiDfGskrKoAu5K0yKO4MMPMX&index=10) (examines how to evaluate the usefulness of CPA, 11 minutes)

3.10 Managing strategic change (A-level only)

Specification reference

3.10.4 Problems with strategy and why strategies fail.

**Learning outcomes**

* To learn about difficulties of strategic decision making and implementing strategy.
* To learn about planned vs emergent strategy.
* To understand reasons for strategic drift.
* To learn about the possible effect of the divorce between ownership and control.
* To evaluate strategic performance.
* To understand the value of strategic planning.
* To learn about the value of contingency planning.

**Suggested timing**

7 hours

**Guidance**

The effect of the divorce between ownership and control to include corporate governance.

Resources

* Listen to part 4 (strategic failure) or our [teaching guide podcast ‘Managing Strategic Change’](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-managing-strategic-change-a-level-only-podcast) (part 2 begins at 12 minutes and 56 seconds)
* Watch [tutor2u videos 17 to 21 in the ‘3.10 Managing Change AQA A-level Business Playlist](https://www.youtube.com/playlist?list=PLp8BSCLLWBUAk-JeVCPkGtvrRiSbTmmZu)’
* Read our ‘[Strategic Drift’ teaching guide](https://www.aqa.org.uk/resources/business/as-and-a-level/business-7131-7132/teach/teaching-guide-strategic-drift) (1 minute)
* Watch and discuss ‘[Why McDonald’s Flopped in Vietnam](https://www.youtube.com/watch?v=l9pthhpd7So)’ (6 minutes).
* Read [‘How Kodak failed’](https://www.forbes.com/sites/chunkamui/2012/01/18/how-kodak-failed/?sh=1464cfbe6f27) (5 minutes)