

# Scheme of work

## A-level Business (7132)

Version 2.2 Revised Summer 2021

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### Introduction

The following scheme of work offers a route through the A-level Business course, covering all the sections and sub-sections in a logical order, including opportunities to develop the necessary set of skills required for interacting with the business world. Guidance is given about any prior knowledge which is helpful or required. 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 would need to be completed outside lessons, partly 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) ©

## 3.1 What is business?

Total time: 15 hours + 1 hour for assessment activities.

### 3.1.1 Understanding the nature and purpose of business

Learning objective	Time taken	Guidance	Resources
<p>To understand why businesses exist</p> <p>To understand the relationship between mission and objectives</p> <p>To examine common business objectives</p> <p>To understand why businesses set objectives</p> <p>To understand the measurement and importance of profit.</p>	4 hours	<p>Learners may have no business knowledge before starting the course, although some may have studied a business-related subject.</p> <p>Learner activity looking at real-life examples such as:</p> <ul style="list-style-type: none"> <li>• profit</li> <li>• growth</li> <li>• survival</li> <li>• cash flow</li> <li>• social</li> <li>• ethical objectives.</li> </ul> <p>Teacher led activity on the measurement of profit to include:</p> <ul style="list-style-type: none"> <li>• revenue (also turnover and sales)</li> <li>• fixed costs</li> <li>• variable costs</li> <li>• total costs.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">BBC Learning zone video – What is a business?</a></li> <li>• <a href="#">Tutor2U – Presentation – Objectives of a new business</a></li> <li>• <a href="#">Tutor2U – Revision presentation – Mission, Aims, Objectives and Stakeholders</a></li> <li>• <a href="#">YouTube video (James Slocombe) – Accounting and Finance – Revenue and Profit</a></li> </ul>

### 3.1.2 Understanding different business forms

Learning objective	Time taken	Guidance	Resources
<p>To understand reasons for choosing different forms of business and for changing business form</p> <p>To understand the role of shareholders and why they invest</p> <p>To learn about influences on share price and the significance of share price changes</p> <p>The effects of ownership on mission, objectives, decisions and performance</p>	7 hours	<p>Learners should be able to understand different forms of business and why these forms may change and the role of shareholders.</p> <p>Different forms of business include:</p> <ul style="list-style-type: none"> <li>• sole traders</li> <li>• private limited companies and public limited companies</li> <li>• private sector and public sector organisations</li> <li>• non-profit organisations such as charities and mutuals.</li> </ul> <p>Issues with different forms of business include:</p> <ul style="list-style-type: none"> <li>• unlimited and limited liability</li> <li>• ordinary share capital</li> <li>• market capitalisation</li> <li>• dividends.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Bee Business Bee types of ownership video (11.43)</a></li> <li>• <a href="#">Tutor2U – Revision presentation – Start up Business Structures</a></li> <li>• <a href="#">Tutor2U – Revision presentation – Limited liability</a></li> <li>• <a href="#">Tutor2U – Revision quiz – Legal structure</a></li> <li>• <a href="#">YouTube – Interview with Big Issue founder – John Bird</a> (excellent resource to illustrate non-profit organisations)</li> <li>• Business Review magazine – Volume 19 – Number 1 ‘Can Facebook float?’</li> <li>• <a href="#">YouTube – Why Go Limited?</a> (cliqvid video) (1:28m)</li> <li>• <a href="#">Education Portal – Shareholders, Board of Director and Officer Roles</a></li> <li>• <a href="#">Education Portal – What are Dividends? Investing in Stocks</a></li> <li>• <a href="#">Tutor2U – Presentation – Shares</a></li> <li>• <a href="#">YouTube – How the stock exchange works</a> (3:33m)</li> </ul>

### 3.1.3 Understanding that businesses operate within an external environment

Learning objective	Time taken	Guidance	Resources
To understand how the external environment can affect costs and demand	4 hours	Factors influencing costs and demand to include the effect of: <ul data-bbox="846 494 1267 727" style="list-style-type: none"><li>• competition</li><li>• market conditions</li><li>• incomes</li><li>• interest rates</li><li>• demographic factors</li><li>• environmental issues and fair trade.</li></ul>	<ul data-bbox="1301 414 2096 622" style="list-style-type: none"><li>• <a href="#">Educational Portal video – Macroeconomic issues in business</a></li><li>• <a href="#">Tutor2U – Presentation – Introduction to Revenues and Demand</a></li><li>• <a href="#">Mindtools</a></li><li>• <a href="#">YouTube – Pest Analysis Explained</a></li></ul>

## 3.2 Managers, leadership and decision making

Total time: 11 hours + 1 hour for assessment activities.

### 3.2.1 Understanding management, leadership and decision making

Learning objective	Time taken	Guidance	Resources
<p>To understand what managers do</p> <p>To be aware of types of management and leadership styles and influences on these</p> <p>To understand the effectiveness of different styles of management and leadership</p>	3 hours	<p>The role of managers should include:</p> <ul style="list-style-type: none"> <li>• setting objectives</li> <li>• analysing</li> <li>• leading</li> <li>• making decisions</li> <li>• reviewing.</li> </ul> <p>Theories of management and leadership styles should include:</p> <ul style="list-style-type: none"> <li>• the Tannenbaum Schmidt continuum</li> <li>• the Blake Mouton grid.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">YouTube – Education Portal – Management in organisations: Top, middle and low level managers</a> (3.04)</li> <li>• <a href="#">Education Portal – Management vs. Leadership: the difference between a manager and leader</a> (9.21)</li> <li>• <a href="#">Mindtools – What is leadership?</a></li> <li>• <a href="#">YouTube Learn what makes a good leader</a></li> <li>• <a href="#">Education Portal – The Black Mouton Managerial grid: Five leadership styles</a> (7.31)</li> <li>• <a href="#">Education Portal – Leadership orientation: Task-orientated and People-orientated</a></li> <li>• <a href="#">Tutor2U – Presentation – Leadership: Models and Styles</a> (includes the Tannenbaum Schmidt continuum)</li> <li>• <a href="#">Businessballs.com – Tannenbaum and Schmidt continuum</a></li> <li>• <a href="#">Educational Portal video – Setting business department goals</a></li> <li>• <a href="#">Educational Portal video – Controlling as a function of management</a></li> <li>• <a href="#">Educational Portal video – Reviewing goal achievement</a></li> <li>• <a href="#">Teaching Guide, Tannenbaum Schmidt continuum</a></li> </ul>

### 3.2.2 Understanding management decision making

Learning objective	Time taken	Guidance	Resources
<p>To learn about the value of decision making based on data (scientific decision making) and on intuition</p> <p>To understand the use and value of decision trees in decision making</p> <p>To understand the influences on decision making</p>	4 hours	<p>Scientific decision making should include understanding and interpreting decision trees and calculating expected value and net gains.</p> <p>Decision making to include an understanding of:</p> <ul style="list-style-type: none"> <li>• risks</li> <li>• rewards</li> <li>• uncertainty</li> <li>• opportunity costs.</li> </ul> <p>Influences on decision making to include:</p> <ul style="list-style-type: none"> <li>• mission</li> <li>• objectives</li> <li>• ethics</li> <li>• the external environment including competition</li> <li>• resource constraints.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Revision presentation – Risks and rewards to enterprise</a></li> <li>• <a href="#">BBC Radio 4 – The Bottom Line</a> (pod cast): 22/02/2011 (second part of the programme starting at 15:47m) (excellent discussion on whether business decisions are based mainly on data or hunch time: 26.31)</li> <li>• <a href="#">Education Portal – The Decision Making Process for Organisations</a></li> <li>• Business Review magazine – Volume 20 – Number 1 ‘Risk and Reward’</li> <li>• <a href="#">Education Portal – Decision making for managers: Certainty, risks and uncertainty</a></li> <li>• <a href="#">Teaching Guide, Decision trees</a></li> <li>• <a href="#">Teaching Guide, Scientific Decision Making</a></li> </ul>

### 3.2.3 Understanding the role and importance of stakeholders

Learning objective	Time taken	Guidance	Resources
To learn about considering stakeholders' needs when making decisions	4 hours	Stakeholder mapping: stakeholder power and interest.  Managing the relationship with different stakeholders includes communication and consultation.	<ul style="list-style-type: none"><li>• <a href="#">Tutor2U – Revision presentation – Mission, Aims, Objectives and Stakeholders</a></li><li>• <a href="#">Tutor2U – Presentation – Stakeholders</a></li><li>• <a href="#">Tutor2U – Stakeholders in business – Lesson worksheet</a></li><li>• <a href="#">Tutor2U – Stakeholder conflict in the battle over Royal Mail – article</a></li><li>• <a href="#">Tutor2U – Do businesses have a responsibility beyond profit? – debate</a></li><li>• <a href="#">Teaching guide, Stakeholder mapping</a></li></ul>
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 with different stakeholders			

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## 3.3 Decision making to improve marketing performance

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Total time: 24 hours + 2 hours for assessment activities.

### 3.3.1 Setting marketing objectives

Learning objective	Time taken	Guidance	Resources
To understand the value of setting marketing objectives  To learn about external and internal influences on marketing objectives and decisions	4 hours	Marketing objectives include: <ul style="list-style-type: none"><li>• sales volume and sales value</li><li>• market size</li><li>• market and sales growth</li><li>• market share</li><li>• brand loyalty.</li></ul>	<ul style="list-style-type: none"><li>• <a href="#">Tutor2U – Presentation – Introduction to marketing</a></li><li>• <a href="#">Tutor2U – Presentation – Marketing objectives</a></li><li>• <a href="#">Tutor2U – Revision presentation – Marketing objectives</a></li><li>• <a href="#">Tutor2U – Presentation – Marketing analysis</a> (includes market size, growth and market share)</li><li>• <a href="#">Teaching Guide, decision making to improve operational performance podcast</a></li></ul>

### 3.3.2 Understanding markets and customers

Learning objective	Time taken	Guidance	Resources
<p>To learn about the value of primary and secondary marketing research</p> <p>To learn about the value of sampling</p> <p>To understand the interpretation of marketing data</p> <p>To understand the value of technology in gathering and analysing data for marketing decision making</p> <p>To understand the interpretation of price and income elasticity of demand data</p> <p>To understand the value of the concepts of price and income elasticity of demand to marketing decision makers</p> <p>To learn about the use of data in marketing decision making and planning</p>	<p>8 hours</p>	<p>Marketing research should include:</p> <ul style="list-style-type: none"> <li>• qualitative and quantitative data</li> <li>• market mapping.</li> </ul> <p>You should be able to calculate market and sales growth, market share and size.</p> <p>Interpretation of marketing data should include:</p> <ul style="list-style-type: none"> <li>• positive and negative correlation and an understanding of the strength of the relationship</li> <li>• understanding the concept of confidence intervals</li> <li>• understanding extrapolation.</li> </ul> <p>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).</p>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Presentation – Market research introduction</a></li> <li>• <a href="#">Tutor2U – Presentation – Marketing research methods</a></li> <li>• <a href="#">Tutor2U – Presentation – Secondary research</a></li> <li>• <a href="#">Market mapping</a></li> <li>• <a href="#">Teaching Guide market mapping</a></li> <li>• <a href="#">Tutor2U – Presentation – Sampling</a></li> <li>• <a href="#">Tutor2U – Presentation – Price elasticity of demand</a> (use the first part of the presentation only)</li> <li>• <a href="#">Teaching Guide, price elasticity of demand</a></li> <li>• <a href="#">YouTube video (James Slocombe) – Market planning – Income elasticity</a></li> <li>• <a href="#">Tutor2U – Presentation – Income elasticity of demand</a></li> <li>• <a href="#">YouTube video (James Slocombe) – Market planning – Price elasticity</a></li> <li>• <a href="#">Tutor2U – Presentation – Forecasting for marketing</a></li> <li>• <a href="#">Educational Portal – How to interpret correlations in research</a></li> <li>• <a href="#">Tutor2U – Presentation – Analysing Marketing Data</a></li> <li>• (includes moving averages, extrapolation and correlation)</li> <li>• <a href="#">Teaching Guide, Income Elasticity of Demand</a></li> <li>• Business Review magazine – Volume 19 – Number 2 ‘<i>It’s hard to predict</i>’</li> <li>• Business Review magazine – Volume 17 – Number 3 ‘<i>Testing times</i>’</li> </ul>

### 3.3.3 Making marketing decisions: segmentation, targeting, positioning

Learning objective	Time taken	Guidance	Resources
<p>To learn about the process and value of segmentation, targeting and positioning</p> <p>To learn about the influences on choosing a target market and positioning</p>	2 hours	<p>Segmentation methods include:</p> <ul style="list-style-type: none"><li>• demographic</li><li>• geographic</li><li>• income</li><li>• behavioural segmentation.</li></ul> <p>Targeting may include niche and mass marketing.</p>	<ul style="list-style-type: none"><li>• <a href="#">Tutor2U – Revision presentation – Targeting</a></li><li>• <a href="#">Tutor2U – Presentation – Consumer segmentation</a></li><li>• <a href="#">TES – market segmentation</a></li><li>• <a href="#">Tutor2U – Presentation – STP Market segmentation</a></li><li>• <a href="#">Tutor2U – Presentation – Product positioning</a></li><li>• <a href="#">Tutor2U – Presentation – Niche marketing</a></li><li>• <a href="#">Teaming Guide, STP market segmentation</a></li></ul>

### 3.3.4 Making marketing decisions: using the marketing mix

Learning objective	Time taken	Guidance	Resources
<p>To understand the elements of the marketing mix (7Ps)</p> <p>To learn about the influences on and effects of changes in the elements of the marketing mix</p> <p>To learn about product decisions</p> <p>To learn about pricing decisions</p> <p>To understand decisions about the promotional mix</p> <p>To learn about distribution (place) decisions</p> <p>To learn about decisions relating to other elements of the marketing mix: people, process and physical element</p> <p>To understand the importance of and influences on an integrated marketing mix</p> <p>To understand the value of digital marketing and e-commerce</p>	10 hours	<p>The marketing mix should be considered for goods and services, both industrial and consumer.</p> <p>Types of consumer goods considered should include convenience, shopping and speciality products.</p> <p>Product decisions should include:</p> <ul style="list-style-type: none"> <li>the value of product portfolio analysis and the Boston Matrix</li> <li>the value of the product life cycle model including extension strategies</li> <li>influences on and the value of new product development.</li> </ul> <p>Pricing decisions should include penetration and price skimming.</p> <p>Promotional decisions should include the value of branding.</p>	<ul style="list-style-type: none"> <li><a href="#">Mindtools – The 4Ps Marketing Mix</a></li> <li><a href="#">YouTube – how to position your market offering</a> (3:40)</li> <li><a href="#">Tutor2U – Presentation – Marketing of services</a></li> <li><a href="#">Tutor2U – Presentation – Types of consumer products</a></li> <li><a href="#">Tutor2U – Presentation – Levels of products</a></li> <li><a href="#">Tutor2U – Product positioning</a></li> <li><a href="#">Tutor2U – Presentation – Product mix</a></li> <li><a href="#">Tutor2U – Presentation – Product Life Cycle</a></li> <li><a href="#">Tutor2U – Presentation – Boston matrix</a></li> <li><a href="#">Tutor2U – Presentation – Marketing and Product portfolios</a></li> <li><a href="#">Tutor2U – Presentation – Pricing</a></li> <li><a href="#">BBC – Dragon’s Den – The Wholeleaf company</a> (approx. 10m) (excellent to illustrate the importance of ‘price’ in the marketing mix 11.07)</li> <li><a href="#">Teaching Guide, Marketing Mix, 7ps</a></li> <li><a href="#">Tutor2U – Presentation – Skimming vs Penetration</a></li> <li>Business Review magazine – Volume 18 – Number 2 ‘How much are you thinking? Psychological pricing’</li> <li><a href="#">Tutor2U – Presentation – Marketing mix: Introduction to promotion</a></li> <li>Business Review magazine – Volume 18 – Number 4 ‘Branding’</li> <li><a href="#">Tutor2U – Presentation – Marketing mix: Introduction to place</a></li> <li><a href="#">Tutor2U – Presentation – Physical distribution</a></li> <li><a href="#">Tutor2U – Presentation – Channel strategy</a></li> <li>Business Review magazine – Volume 19 – Number 1 ‘The business of blogging’</li> <li><a href="#">YouTube video – B2C vs B2B: the basics</a> (3:18)</li> </ul>

	<p>Distribution decisions should include multi-channel distribution.</p> <p>Influences on an integrated marketing mix include:</p> <ul style="list-style-type: none"> <li>• the position in the product life cycle</li> <li>• the Boston Matrix</li> <li>• the type of product</li> <li>• marketing objectives</li> <li>• the target market</li> <li>• competition</li> <li>• positioning.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Teaching Guide, Product life Cycle</a></li> <li>• Business Review magazine – Volume 18 – Number 4 ‘<i>From cheapest car to Jaguar – Tata’s product portfolio</i>’</li> <li>• <a href="#">Tutor2U – Presentation – Marketing mix</a></li> <li>• Already referenced higher up Business Review magazine – Volume 18 – Number 1 ‘<i>Communication revolution – Marketing in the service sector</i>’</li> <li>• Business Review magazine – Volume 19 – Number 4 ‘<i>Red Bull</i>’ (its innovative and aggressive marketing strategies)</li> <li>• <a href="#">Tutor2U – Interactive quizzes on marketing</a></li> </ul>
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## 3.4 Decision making to improve operational performance

Total time: 24 hours + 2 hours for assessment activities.

### 3.4.1 Setting operational objectives

Learning objective	Time taken	Guidance	Resources
To understand the value of setting operational objectives  To learn about external and internal influences on operational objectives and decisions	2 hours	Operational objectives include: <ul style="list-style-type: none"><li>• costs</li><li>• quality</li><li>• speed of response and flexibility</li><li>• dependability</li><li>• environmental objectives</li><li>• added value.</li></ul>	<ul style="list-style-type: none"><li>• <a href="#">Tutor2U – Revision presentation – Operational objectives</a></li><li>• <a href="#">Tutor2U – Presentation – Making operational decisions</a></li><li>• <a href="#">Tutor2U – Revision presentation – Adding value and the transformation process</a></li><li>• <a href="#">Teaching guide – decision making to improve operational performance</a></li></ul>

### 3.4.2 Analysing operational performance

Learning objective	Time taken	Guidance	Resources
To learn about the interpretation of operations data  To calculate operations data	3 hours	You should be able to calculate: <ul style="list-style-type: none"><li>• labour productivity</li><li>• unit costs (average costs)</li><li>• capacity</li><li>• capacity utilisation.</li></ul>	<ul style="list-style-type: none"><li>• <a href="#">Tutor2U – Presentation – Labour productivity</a></li><li>• <a href="#">Tutor2U – Worksheet – Capacity Utilisation</a></li><li>• <a href="#">Bee Business Bee capacity utilisation on YouTube (6.00)</a></li><li>• <a href="#">Tutor2U – Revision presentation – Making operational decisions</a></li><li>• <a href="#">Tutor2U – Example of capacity utilisation</a> (article)</li></ul>

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

Learning objective	Time taken	Guidance	Resources
<p>To understand the importance of capacity</p> <p>To understand the importance of efficiency and labour productivity</p> <p>To learn about how to increase efficiency and labour productivity</p> <p>To understand the benefits and difficulties of lean production</p> <p>To learn about the difficulties increasing efficiency and labour productivity</p> <p>To learn about how to choose the optimal mix of resources</p> <p>To learn about how to utilise capacity efficiently</p> <p>To understand how to use technology to improve operational efficiency</p>	8 hours	<p>Lean production should include 'Just-In-Time' operations.</p> <p>The mix of resources should include an understanding of labour and capital intensive processes.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Revision presentation – Economies of scale and resource mix</a></li> <li>• <a href="#">BBC Learning zone video – New technology, efficiency and redundancy (3:34m)</a></li> <li>• <a href="#">Tutor2U – Revision presentation – Making operational decisions</a></li> <li>• <a href="#">Tutor2U – Hand-out – Just in time</a></li> <li>• <a href="#">Tutor2U – Presentation – Lean production</a></li> <li>• <a href="#">Study.com lean organisational structure</a></li> <li>• <a href="#">BBC Learning zone video – Just-in-Time delivery (3:50m)</a></li> <li>• <a href="#">YouTube video – Hoover Cambuslang Factory Back to the Floor (37:23m)</a></li> <li>• <a href="#">Tutor2U – Revision presentation – Operations and technology</a></li> </ul>

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

Learning objective	Time taken	Guidance	Resources
<p>To learn about the importance of quality</p> <p>To learn about methods of improving quality</p> <p>To learn about the benefits and difficulties of improving quality</p> <p>To learn about the consequences of poor quality</p>	4 hours	Methods of improving quality should include quality assurance.	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Hand-out – Introduction to quality</a></li> <li>• <a href="#">Tutor2U – Presentation – Managing quality</a></li> <li>• <a href="#">Tutor2U – Revision presentation – Making operational decisions</a></li> <li>• <a href="#">YouTube video – Loake Shoemakers</a> – (5.35)</li> <li>• <a href="#">Daily Mail – Aldi is successful because of its quality</a></li> <li>• <a href="#">BBC Learning zone video: Production on mechanised production line</a> (3:13m)</li> <li>• <a href="#">Tutor2U – Quiz – Quality</a></li> </ul>

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

Learning objective	Time taken	Guidance	Resources
<p>To learn about the ways and value of improving flexibility, speed of response and dependability</p> <p>To understand how to manage supply to match demand and the value of doing so</p> <p>To learn about the influences on the amount of inventory held</p> <p>To learn about influences on the choice of suppliers</p> <p>To learn about how to manage the supply chain effectively and efficiently and the value of this</p> <p>To understand the value of outsourcing</p>	7 hours	<p>An understanding of flexibility should include mass customisation.</p> <p>Ways of matching supply to demand include:</p> <ul style="list-style-type: none"> <li>outsourcing</li> <li>use of temporary and part time employees</li> <li>producing to order.</li> </ul> <p>Inventory control should include:</p> <ul style="list-style-type: none"> <li>interpreting inventory control charts</li> <li>lead time</li> <li>re-order levels</li> <li>buffer level of inventory</li> <li>re-order quantities.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Tutor2U – Presentation – Special order contracts</a></li> <li><a href="#">Tutor2U – Presentation – Stock control – The importance of managing stocks</a></li> <li><a href="#">Marks and Spencer article about investing in stock control technology</a></li> <li><a href="#">YouTube video – A very brief introduction to stock control charts (3.37)</a></li> <li><a href="#">Business Studies Online – Presentation – Stock control</a></li> <li><a href="#">YouTube (James Slocombe) video – Stock control and lean production (3.27)</a></li> <li><a href="#">Tutor2U – Revision presentation – Making operational decisions</a></li> <li><a href="#">Slideshare.net – Working with suppliers</a></li> <li><a href="#">Tutor2U – Quiz – Working with suppliers</a></li> <li><a href="#">YouTube video – What is supply chain management? (8.04)</a></li> <li><a href="#">YouTube video – Walmart Chain management (supply chain and ethics – strong emphasis on ethics 6.51)</a></li> <li><a href="#">Tutor2U – Presentation – Outsourcing</a></li> <li><a href="#">Teaching Guide, Inventory Control Chart</a></li> </ul>

## 3.5 Decision making to improve financial performance

Total time: 18 hours + 2 hours for assessment/revision activities.

### 3.5.1 Setting financial objectives

Learning objective	Time taken	Guidance	Resources
<p>To understand the value of setting financial objectives</p> <p>To understand the distinction between cash flow and profit</p> <p>To understand the distinction between gross profit, operating profit and profit for the year</p> <p>To learn about revenue, costs and profit objectives</p> <p>To learn about cash flow objectives</p> <p>To learn about objectives for investment (capital expenditure) levels</p> <p>To learn about capital structure objectives</p> <p>To understand external and internal influences on financial objectives and decisions</p>	4 hours	<p>Financial objectives to include:</p> <ul style="list-style-type: none"> <li>the concept of a return on investment</li> <li>an understanding of the proportion of long-term funding that is debt.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Slideshare – Presentation – Financial objectives</a> (includes internal and external factors influencing financial objectives)</li> <li><a href="#">Tutor2U – Hand-out – Financial objectives – Measures</a></li> <li><a href="#">Tutor2U – Presentation – Calculating and interpreting profit</a></li> <li><a href="#">Bee business bee calculating profit</a> (5.12)</li> <li><a href="#">Tutor2U – Presentation – Measuring and increasing profit</a></li> <li><a href="#">Tutor2U – Presentation – Profit and Cash</a></li> <li><a href="#">Teaching guide podcast – decision making to improve financial performance</a></li> </ul>

### 3.5.2 Analysing financial performance

Learning objective	Time taken	Guidance	Resources
<p>To learn how to construct and analyse budgets and cash flow forecasts</p> <p>To understand the value of budgeting</p> <p>To learn how to construct and interpret break-even charts</p> <p>To learn how to calculate and illustrate on a break-even chart the effects of changes in price, output and cost</p> <p>To calculate the value of break-even analysis</p> <p>To learn how to analyse profitability</p> <p>To learn how to analyse timings of cash inflows and outflows</p> <p>To understand the use of data for financial decision making and planning</p>	7 hours	<p>Analysing budgets should include variance analysis and adverse and favourable variances.</p> <p>Break-even analysis should include:</p> <ul style="list-style-type: none"> <li>• Break-even output</li> <li>• margin of safety</li> <li>• contribution per unit</li> <li>• total contribution.</li> </ul> <p>Analysing profitability should include the following ratio analysis:</p> <ul style="list-style-type: none"> <li>• gross profit</li> <li>• profit from operations</li> <li>• profit for the year.</li> </ul> <p>Analysing timings of cash flow should include an understanding of payables and receivables.</p>	<ul style="list-style-type: none"> <li>• <a href="#">YouTube (James Slocombe) – Accounting and Finance – Budgeting</a> (6.05)</li> <li>• <a href="#">YouTube (James Slocombe) – Accounting and Finance – Variance analysis</a> (7.27)</li> <li>• <a href="#">Tutor2U – Revision presentation – Using budgets</a></li> <li>• Business Review magazine – Volume 20 – Number 2 ‘A guide to budgeting’</li> <li>• <a href="#">YouTube – What is cash flow forecast?</a> (Cliqvid 1.47)</li> <li>• <a href="#">YouTube (James Slocombe) – Accounting and Finance – Cashflow</a> (5.35)</li> <li>• <a href="#">Tutor2U – Revision presentation – Forecasting Cash flows(emphasis on start-ups)</a></li> <li>• <a href="#">YouTube (James Slocombe) – Accounting and Finance – Costs</a> (4.32)</li> <li>• <a href="#">YouTube (James Slocombe) – Accounting and Finance – Breakeven analysis and contribution</a> (7.42)</li> <li>• <a href="#">YouTube (James Slocombe) – Accounting and Finance – Breakeven charts</a> (4.28)</li> <li>• <a href="#">Tutor2U – Revision presentation – Breakeven analysis</a></li> </ul>

### 3.5.3 Making financial decisions: sources of finance

Learning objective	Time taken	Guidance	Resources
<p>To learn about internal and external sources of finance</p> <p>To understand the advantages and disadvantages of different sources of finance for short- and long-term uses</p>	4 hours	<p>Sources of finance should include:</p> <ul style="list-style-type: none"> <li>• debt factoring</li> <li>• overdrafts</li> <li>• retained profits</li> <li>• share capital</li> <li>• loans</li> <li>• venture capital.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Presentation – Sources of Finance</a></li> <li>• Business Review magazine – Volume 20 – Number 1 ‘New Sources of finance’</li> <li>• <a href="#">YouTube (James Slocombe) – Accounting and Finance – Sources of finance</a> (6.12)</li> <li>• <a href="#">YouTube video – Loan vs overdraft</a> (Cliqvid 1.18)</li> <li>• <a href="#">YouTube video – How does Invoice Financing works</a> (Cliqvid 1.22) (explanation of ‘Debt factoring’)</li> </ul>

### 3.5.4 Making financial decisions: improving cash flow and profits

Learning objective	Time taken	Guidance	Resources
<p>To learn about methods of improving cash flow</p> <p>To learn about methods of improving profits and profitability</p> <p>To learn about difficulties improving cash flow and profit</p>	3 hours	<p>You should be able to assess ways of improving cash flow.</p> <p>You should be able to assess ways of improving profitability.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Revision presentation – Improving Cash Flow</a></li> <li>• <a href="#">Tutor2U – Presentation – Measuring and improving profit</a></li> </ul>

## 3.6 Decision making to improve human resource performance

Total time: 19 hours + 1 hour for assessment activities.

### 3.6.1 Setting human resource objectives

Learning objective	Time taken	Guidance	Resources
<p>To understand the value of setting human resource objectives</p> <p>To learn about internal and external influences on human resources objectives and decisions</p>	2 hours	<p>Human resource objectives include:</p> <ul style="list-style-type: none"> <li>employee engagement and involvement</li> <li>talent development</li> <li>training</li> <li>diversity</li> <li>alignment of values</li> <li>number, skills and location of employees.</li> </ul> <p>Influences on human resource objectives such as soft and hard Human Resource Management (HRM) approaches.</p>	<ul style="list-style-type: none"> <li><a href="#">YouTube video (James Slocombe) – Human Resource Management (9.24)</a></li> <li><a href="#">Slideshare – the importance of human capital in business</a></li> <li><a href="#">Tutor2U – Presentation – Introduction to HR strategies and objectives</a> (section on 'soft' and 'hard' HRM)</li> <li><a href="#">Bee business bee Workforce planning (6.41)</a></li> <li><a href="#">YouTube video – I'll show them who's boss: Arsenic and Old Lace (33:05m)</a> excellent illustration of 'Hard' HRM and the importance of communication in business</li> <li><a href="#">Teaching guide, Decision making to improve human resource performance podcast</a></li> </ul>

### 3.6.2 Analysing human resource performance

Learning objective	Time taken	Guidance	Resources
<p>To calculate and interpret human resource data</p> <p>To understand the use of data for human resource decision making and planning</p>	4 hours	<p>You should be able to calculate and interpret:</p> <ul style="list-style-type: none"><li>• labour turnover and retention rates</li><li>• labour productivity</li><li>• employee costs as percentage of turnover</li><li>• labour cost per unit.</li></ul>	<ul style="list-style-type: none"><li>• <a href="#">Tutor2U – Revision presentation – Measuring Workforce effectiveness</a></li><li>• Business Review magazine – Volume 18 – Number 2 ‘Labour turnover’</li><li>• <a href="#">Tutor2U – Quiz – Workforce planning</a></li><li>• <a href="#">Tutor2U – Quiz – HRM Objectives and Influences</a></li><li>• <a href="#">Educational Portal – Aligning HRM and Organisational Strategy</a></li></ul>

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

Learning objective	Time taken	Guidance	Resources
<p>To learn about influences on job design</p> <p>To learn about influences on organisation design</p> <p>To learn about influences on delegation, centralisation and decentralisation</p> <p>To learn about the value of changing job and organisational design</p> <p>To understand how managing the human resource flow helps meet human resource objectives</p>	6 hours	<p>Job design to include Hackman and Oldham's model.</p> <p>Decisions relating to organisational design include:</p> <ul style="list-style-type: none"> <li>• authority</li> <li>• span</li> <li>• hierarchy</li> <li>• delegation</li> <li>• centralisation and decentralisation.</li> </ul> <p>Human resource flow to include:</p> <ul style="list-style-type: none"> <li>• human resource plan</li> <li>• recruitment</li> <li>• training</li> <li>• redeployment</li> <li>• redundancy.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Education Portal video – Hackman and Oldham's model</a></li> <li>• <a href="#">Education Portal video – Job design: definition and purpose</a></li> <li>• <a href="#">Education Portal video – What is delegation</a></li> <li>• <a href="#">Tutor2U – Revision presentation – Organisational structures (intro)</a></li> <li>• <a href="#">YouTube (James Slocombe) – Organisational Structure (4.26)</a></li> <li>• <a href="#">Education Portal video – Organisational design and structure</a></li> <li>• <a href="#">Bee business bee organisation structure (4.54)</a></li> <li>• <a href="#">Tutor2U – Presentation – Centralised and Decentralised decision making</a></li> <li>• <a href="#">Education Portal video – Authority in centralised and decentralised organisations</a></li> <li>• <a href="#">Tutor2U – Revision presentation – Improving organisation structures</a></li> <li>• <a href="#">Tutor2U – Quiz – Competitive structures</a></li> <li>• <a href="#">Teaching Guide and Oldham's model of job design</a></li> </ul>

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

Learning objective	Time taken	Guidance	Resources
<p>To learn about the benefits of motivated and engaged employees</p> <p>To understand how to improve employee engagement and motivation</p> <p>To understand the value of theories of motivation</p> <p>To learn about the use of financial methods of motivation</p> <p>To learn about the use of non-financial methods of motivating employees</p> <p>To learn about influences on the choice and assessment of the effectiveness of financial and non-financial rewards systems</p>	<p>4 hours</p>	<p>Theories of motivation should include Taylor, Maslow and Herzberg.</p> <p>Financial methods of motivation should include:</p> <ul style="list-style-type: none"> <li>• piece rate</li> <li>• commission</li> <li>• salary schemes</li> <li>• performance-related pay.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">YouTube video (James Slocombe) – Motivation theories</a></li> <li>• <a href="#">Tutor2U – Presentation – Motivation in theory</a></li> <li>• <a href="#">Tutor2U – Presentation – Motivation in practice</a></li> <li>• Channel 4 OD – <i>Undercover Boss: Andy Edge, Park Resorts (series 1, episode 1)</i> (59m) (Excellent to illustrate the impacts of financial rewards, employee empowerment and recognition, centralisation, decentralisation on motivation and employee behaviour)</li> <li>• <a href="#">Education Portal video – Vroom’s expectancy theory of employee motivation</a></li> <li>• <a href="#">Alanis Business Academy video</a> (6.20)</li> <li>• Business Review magazine – Volume 20 – Number 3 ‘Leadership – The Blake and Mouton managerial grid’</li> <li>• <a href="#">YouTube – Learn Loads</a> (3.17)</li> <li>• <a href="#">Teaching Guide, Blake Mouton</a></li> <li>• <a href="#">Teaching guide, Motivation</a></li> </ul>

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

Learning objective	Time taken	Guidance	Resources
<p>To learn about influences on the extent and methods of employee involvement in decision making</p> <p>To learn about how to manage and improve employer-employee communications and relations</p> <p>To understand the value of good employer-employee relations</p>	3 hours	Employee representation methods to include trade unions and works councils.	<ul style="list-style-type: none"><li>• <a href="#">Tutor2U – Presentation – Employee representation and trade unions</a></li><li>• <a href="#">Unions into Schools</a> (includes presentations and activities)</li><li>• <a href="#">Slideshare – conflict resolution</a></li><li>• <a href="#">Bee business bee – Effective workplace communication (6.37)</a></li><li>• <a href="#">Educational Portal video – Organisational communication</a></li><li>• Film: Made in Dagenham (selected sections)</li></ul>

## 3.7 Analysing the strategic position of a business

Total time: 47 hours + 1 hour for assessment activities.

### 3.7.1 Mission, corporate objectives and strategy

Learning objective	Time taken	Guidance	Resources
<p>To learn about influences on the mission of a business</p> <p>To learn about internal and external influences on corporate objectives and decisions</p> <p>To understand the distinction between strategy and tactics</p> <p>To learn about the links between mission, corporate objectives and strategy</p> <p>To learn about the impact of strategic decision making on functional decision making</p> <p>To understand the value of SWOT analysis</p>	6 hours	Influences on corporate objectives should include the pressures for short termism, business ownership, the external and internal environment.	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Presentation – Mission, Aims, Objectives and Stakeholders</a></li> <li>• <a href="#">Tutor2U – Lesson plan – Aims and Objectives for A2 – Suggested lessons</a></li> <li>• <a href="#">Tutor2U – Presentation – Mission statements</a></li> <li>• <a href="#">Educational Portal video – Company mission statement: definition and examples</a></li> <li>• <a href="#">YouTube: ‘Don’t write a mission statement, write a mantra’ (4:33m)</a></li> <li>• <a href="#">Tutor2U – Presentation – Introduction to strategy</a></li> <li>• <a href="#">Tutor2U – Presentation – Corporate and functional objectives</a></li> <li>• <a href="#">Educational Portal video – Types of planning: Strategic, tactical, operational and contingency planning</a></li> <li>• <a href="#">Educational Portal video – Planning as a function of management</a></li> <li>• <a href="#">YouTube video: ‘What is Good Corporate Strategy?’ (4:46m)</a></li> <li>• <a href="#">Tutor2U – Presentation – SWOT analysis</a></li> <li>• <a href="#">Educational Portal video – What is SWOT analysis: situation analysis in marketing</a></li> <li>• <a href="#">Educational Portal video – What is SWOT analysis</a></li> <li>• <a href="#">Mindtools – Bowman’s strategy clock explained</a></li> <li>• <a href="#">YouTube video – Scholes 08 The Strategic Clock (1:58)</a></li> <li>• <a href="#">Teaching Guide, Swot analysis</a></li> <li>• <a href="#">Teaching Guide, Bowman’s Strategic Clock</a></li> <li>• Business Review magazine – Volume 19 – Number 4 ‘<i>The whys and hows of corporate strategy</i>’</li> <li>• Business Review magazine – Volume 18 – Number 2 ‘<i>Great British companies – Rolls–Royce</i>’</li> </ul>

			<ul style="list-style-type: none"> <li>• Business Review magazine – Volume 17 – Number 4 ‘<i>Profit as a business objective</i>’</li> <li>• Business Review magazine – Volume 17 – Number 1 ‘<i>Pursuing growth</i>’</li> </ul>
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### 3.7.2 Analysing the existing internal position of a business to assess strengths and weaknesses: financial ratio analysis

Learning objective	Time taken	Guidance	Resources
<p>To learn about how to assess the financial performance of a business using balance sheets, income statements and financial ratios</p> <p>To understand the value of financial ratios when assessing performance</p>	9 hours	<p>Financial ratio analysis to include:</p> <ul style="list-style-type: none"> <li>• profitability (return on capital employed)</li> <li>• liquidity (current ratio)</li> <li>• gearing</li> <li>• efficiency ratios: payables days, receivables days, inventory turnover.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">YouTube video – What is a balance sheet?</a> (videoid 1.38)</li> <li>• <a href="#">Tutor2U – Presentation – Balance sheet basics</a></li> <li>• <a href="#">Bee business bee YouTube video, income statements (6.21)</a></li> <li>• <a href="#">Tutor2U – Presentation – Income Statement basics</a></li> <li>• <a href="#">Tutor2U – Presentation – Liquidity ratios</a></li> <li>• <a href="#">Tutor2U – Presentation – Profitability ratios</a></li> <li>• <a href="#">Tutor2U – Presentation – Financial efficiency ratios</a></li> <li>• <a href="#">Tutor2U – Presentation – Shareholder ratios</a></li> <li>• <a href="#">Tutor2U – Presentation – Balanced scorecard</a></li> <li>• <a href="#">Mindtools – The Triple Bottom line</a></li> <li>• <a href="#">Teaching Guide, Elkington’s triple bottom line</a></li> <li>• Business Review magazine – Volume 17 – Number 3 ‘<i>Manchester United’s gearing crisis</i>’</li> <li>• Business Review magazine – Volume 17 – Number 1 ‘<i>Mulberry – Balance Sheets and Alexa Chung</i>’</li> </ul>

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

Learning objective	Time taken	Guidance	Resources
<p>To learn about how to analyse data other than financial statements to assess the strengths and weaknesses of a business</p> <p>To understand the importance of core competences</p> <p>To learn about assessing short- and long-term performance</p> <p>The value of different measures of assessing business performance</p>	7 hours	<p>Data other than financial statements should include operations, human resource and marketing data.</p> <p>Data may analysed over time or in comparison with other businesses.</p> <p>Methods of assessing overall business performance to include:</p> <ul style="list-style-type: none"> <li>• Kaplan and Norton's Balanced Scorecard model</li> <li>• Elkington's Triple Bottom line (Profit, People, Planet).</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Presentation – Measuring workforce effectiveness</a></li> <li>• <a href="#">Tutor2U – Presentation – Short Run and Long Run</a></li> <li>• <a href="#">YouTube video – Triple Bottom Line: the science of good business</a></li> <li>• <a href="#">Teaching guide, the importance of stakeholders Podcast</a></li> <li>• <a href="#">Teaching Guide, Kaplan and Norton's balance scorecard model.</a></li> </ul>

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

Learning objective	Time taken	Guidance	Resources
To learn about the impact of changes in the political and legal environment on strategic and functional decision making	3 hours	<p>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.</p> <p>The impact of UK and EU Government policy related to enterprise, the role of regulators, infrastructure, the environment and international trade.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Revision presentation – Business Legislation</a></li> <li>• Business Review magazine – Volume 19 – Number 1 ‘<i>Supply-side myths – From policy to evaluation</i>’</li> <li>• Business Review magazine – Volume 18 – Number 3 ‘<i>Regulation is needed</i>’</li> <li>• Business Review magazine – Volume 17 – Number 3 ‘<i>Youth unemployment – Problems and policies</i>’</li> <li>• Business Review magazine – Volume 18 – Number 2 ‘<i>The free market is ethical</i>’</li> <li>• Business Review magazine – Volume 16 – Number 4 ‘<i>Who wants protection?</i>’</li> </ul>

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

Learning objective	Time taken	Guidance	Resources
<p>To learn about the impact of changes in the UK and the global economic environment on strategic and functional decision making</p> <p>To understand reasons for greater globalisation of business</p> <p>To learn about the importance of globalisation for business</p> <p>To learn about the importance of emerging economies for business</p>	8 hours	<p>Economic factors to include:</p> <ul style="list-style-type: none"> <li>• GDP</li> <li>• taxation</li> <li>• exchange rates</li> <li>• inflation</li> <li>• fiscal and monetary policy</li> <li>• more open trade vs protectionism.</li> </ul> <p>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.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Educational Portal video – Macroeconomic issues in business</a></li> <li>• <a href="#">Tutor2U – Presentation – Business and Interest Rates</a></li> <li>• <a href="#">BBC interest rates explained interactive video</a></li> <li>• <a href="#">Tutor2U – Presentation – Business and Inflation</a></li> <li>• <a href="#">Tutor2U – Presentation – Exchange Rates</a></li> <li>• <a href="#">Tutor2U – Presentation – Business and Unemployment</a></li> <li>• <a href="#">Tutor2U – Presentation – Business Cycle and Economic Growth</a></li> <li>• <a href="#">BBC – What is GDP?</a></li> <li>• <a href="#">Tutor2U video – Video case study – EU Legislation impact on business</a></li> <li>• Business Review magazine – Volume 19 – Number 2 ‘<i>It’s the economy, stupid</i>’</li> <li>• Business Review magazine – Volume 17 – Number 3 ‘<i>Youth unemployment – Problems and policies</i>’</li> <li>• Business Review magazine – Volume 17 – Number 3 ‘<i>Twitter – The pulse of the planet?</i>’</li> </ul>

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

Learning objective	Time taken	Guidance	Resources
<p>To learn about the impact of the social and technological environment on strategic and functional decision making</p> <p>To learn about the pressures for socially responsible behaviour</p>	4 hours	<p>Social changes to include demographic changes and population movements such as:</p> <ul style="list-style-type: none"> <li>• urbanisation and migration</li> <li>• changes in consumer lifestyle and buying behaviour</li> <li>• the growth of online businesses.</li> </ul> <p>The social environment to include Corporate Social Responsibility (CSR) and:</p> <ul style="list-style-type: none"> <li>• the reasons for and against CSR</li> <li>• the difference between the stakeholder vs shareholder concept</li> <li>• Carroll's Corporate Social Responsibility pyramid.</li> </ul> <p>Technological change should include the impact of technological change on functional areas and strategy.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Revision presentation – Business and the Technological environment</a></li> <li>• <a href="#">Tutor2U – Revision presentation – Social environment and Business</a></li> <li>• <a href="#">Tutor2U – Presentation – Corporate Social Responsibility</a></li> <li>• <a href="#">YouTube video – What is corporate social responsibility (CSR)? (10:57m)</a></li> <li>• <a href="#">YouTube video – What is Corporate Social Responsibility? (5:10m)</a></li> <li>• <a href="#">Slideshare – Introduction to CSR</a> (includes Carroll's pyramid theory)</li> <li>• Business Review magazine – Volume 17 – Number 3 'Twitter – The pulse of the planet?'</li> <li>• Business Review magazine – Volume 18 – Number 2 'Will Facebook fail?'</li> <li>• Business Review magazine – Volume 18 – Number 1 'Pay walls – The saviour for newspapers?'</li> <li>• <a href="#">Teaching guide, Carrol's corporate social responsibility pyramid</a></li> </ul>

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

Learning objective	Time taken	Guidance	Resources
<p>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</p>	<p>4 hours</p>	<p>An understanding of the five forces to include:</p> <ul style="list-style-type: none"> <li>• entry threat (barriers to entry)</li> <li>• buyer power</li> <li>• supplier power</li> <li>• rivalry</li> <li>• substitute threat.</li> </ul> <p>You should consider how the five forces shape competitive strategy.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Revision presentation – Porter's Five Forces</a></li> <li>• <a href="#">Tutor2U – Presentation – Five Forces analysis</a></li> <li>• <a href="#">YouTube – Porter's five forces</a></li> <li>• <a href="#">Teaching Guide, Porter's five forces</a></li> <li>• <a href="#">Bee business bee porters five forces explained</a> (6.25)</li> <li>• Business Review magazine – Volume 18 – Number 2 'British Airways – Managing change in a competitive market place'</li> <li>• <a href="#">Tutor2U – Presentation – Competitive environment – five forces</a></li> </ul>

### 3.7.8 Analysing strategic options: investment appraisal

Learning objective	Time taken	Guidance	Resources
<p>To understand financial methods of assessing an investment</p> <p>To learn about the factors influencing investment decisions</p> <p>To learn about the value of sensitivity analysis</p>	6 hours	Investment appraisal to include the calculation and interpretation of payback, average rate of return and net present value	<ul style="list-style-type: none"><li>• <a href="#">Tutor2U – Presentation – Investment appraisal</a></li><li>• <a href="#">Tutor2U – Revision quiz – Investment appraisal</a></li><li>• <a href="#">Tutor2U – Presentation – Investment appraisal – non discounting (Payback and ARR)</a></li><li>• <a href="#">Tutor2U – Presentation – Investment appraisal – discounting method (NPV)</a></li><li>• <a href="#">Teaching Guide, Investment appraisal</a></li><li>• <a href="#">Teaching Guide, Sensitivity analysis</a></li></ul>

## 3.8 Choosing strategic direction

Total time: 9 hours + 1 hour for assessment activities.

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

Learning objective	Time taken	Guidance	Resources
<p>To understand factors influencing which markets to compete in and which products to offer</p> <p>To understand the reasons for choosing and value of different options for strategic direction</p>	5 hours	<p>Strategic direction to include the Ansoff Matrix and value of:</p> <ul style="list-style-type: none"> <li>market penetration</li> <li>market development</li> <li>new product development</li> <li>diversification.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Tutor2U – Presentation – The marketing environment</a></li> <li>Business Review magazine – Volume 20 – Number 3 ‘<i>Whole Foods Market</i>’</li> <li><a href="#">Tutor2U – Presentation – Ansoff’s matrix</a></li> <li><a href="#">Tutor2U – Revision presentation – Ansoff’s matrix</a></li> <li><a href="#">Bee business bee video – YouTube</a> (Ansoff 5.35)</li> <li><a href="#">Tutor2U – Presentation – Marketing strategy</a></li> <li><a href="#">Tutor2U – Samsung: Boston Matrix, culture and dividend yield</a></li> <li><a href="#">Educational Portal – Competitive Advantage: the importance of strategic marketing</a></li> <li><a href="#">Tutor2U – Presentation – Short run and long run</a></li> <li><a href="#">Teaching Guide, Porter’s Strategic Matrix</a></li> <li>stakeholder mapping</li> <li><a href="#">Teaching Guide, Boston Matrix</a></li> <li>Business Review magazine – Volume 19 – Number 2 ‘<i>IKEA</i>’</li> <li>Business Review magazine – Volume 19 – Number 1 ‘<i>Hell pizza</i>’ (the Ansoff’s matrix applied to a small pizza company)</li> <li>Business Review magazine – Volume 18 – Number 3 ‘<i>One in ten – Launching new brands</i>’</li> <li>Business Review magazine – Volume 18 – Number 3 ‘<i>The hotel industry – Porter’s generic strategies</i>’</li> <li>Business Review magazine – Volume 18 – Number 3 ‘<i>Whitbread – Successful diversification</i>’</li> </ul>

			<ul style="list-style-type: none"> <li>• Business Review magazine – Volume 17 – Number 3 ‘Diversification’</li> <li>• Business Review magazine – Volume 17 – Number 4 ‘Porter’s generic strategies’</li> </ul>
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### 3.8.2 Strategic positioning: choosing how to compete

Learning objective	Time taken	Guidance	Resources
<p>To learn about how to compete in terms of benefits and price</p> <p>To learn about influences on the choice of a positioning strategy</p> <p>To learn about the value of different strategic positioning strategies</p> <p>To understand the benefits of having a competitive advantage</p> <p>To understand the difficulties of maintaining a competitive advantage</p>	4 hours	<p>Strategic positioning to include:</p> <ul style="list-style-type: none"> <li>• Porter’s low cost, differentiation and focus strategies</li> <li>• Bowman’s strategic clock.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Presentation – Generic strategies</a></li> <li>• <a href="#">Educational Portal video – Types of competitive advantage: cost, product, niche and sustainable advantages</a></li> <li>• <a href="#">Marketing teacher.com – Bowman’s Strategic Clock</a> (lesson and activity)</li> <li>• <a href="#">Teaching guide, Choosing a strategic direction</a> Podcast</li> <li>• <a href="#">Teaching guide, analysing a strategic decision</a> Podcast</li> <li>• <a href="#">Teaching Guide, Ansoff Matrix</a> Podcast</li> <li>• <a href="#">Teaching guide, strategic drift</a> Podcast</li> </ul>

## 3.9 Strategic methods: how to pursue strategies

Total time: 28 hours + 2 hours for assessment activities.

### 3.9.1 Assessing a change in scale

Learning objective	Time taken	Guidance	Resources
<p>To understand the reasons why businesses grow or retrench</p> <p>To understand the difference between organic and external growth</p> <p>To learn about how to manage and overcome the problems of growth or retrenchment</p> <p>To learn about the impact of growth or retrenchment on the functional areas of the business</p> <p>To assess methods and types of growth</p>	9 hours	<p>Types of growth to include organic and external.</p> <p>Issues with growth should include:</p> <ul style="list-style-type: none"> <li>economies of scale (including technical, purchasing and managerial)</li> <li>economies of scope</li> <li>diseconomies of scale</li> <li>the experience curve</li> <li>synergy</li> <li>overtrading.</li> </ul> <p>Issues with managing growth should include Greiner's model of growth.</p> <p>Methods of growth to include mergers, takeovers, ventures, franchising.</p> <p>Types of growth to include vertical (backward and forward), horizontal and conglomerate integration.</p>	<ul style="list-style-type: none"> <li><a href="#">Tutor2U – Presentation – Business growth</a> (covers internal and external, mergers, acquisitions, etc.)</li> <li><a href="#">YouTube – Stages of Business Growth</a></li> <li><a href="#">Tutor2U – Presentation – The motives for Takeovers and Mergers and how these link with corporate strategy</a></li> <li><a href="#">Tutor2U – Presentation – Acquisitions</a></li> <li><a href="#">Educational Portal video – Corporate expansion: mergers and acquisitions</a></li> <li><a href="#">Educational Portal video – Franchise: opportunities and challenges</a></li> <li><a href="#">BBC Learning Zone Video – Exploring the franchise business model(5.13)</a></li> <li><a href="#">Tutor2U – Presentation – Improving cash flow (slides 11 and 12 cover 'Overtrading')</a></li> <li><a href="#">Tutor2U – Revision presentation – Retrenchment</a></li> <li><a href="#">Mindtools – The Greiner Curve</a></li> <li><a href="#">Teaching Guide, Grenier's Model of Growth</a></li> <li><a href="#">YouTube – Business Skills Tutorial: How growth drives change (4:38m)</a> (excellent video explaining clearly the Greiner Curve)</li> <li><a href="#">Tutor2U – Growth for firms</a></li> <li>Business Review magazine – Volume 19 – Number 2 'The urge to demerge'</li> <li>Business Review magazine – Volume 20 – Number 2 'Conglomerates and emerging markets'</li> </ul>

### 3.9.2 Assessing innovation

Learning objective	Time taken	Guidance	Resources
<p>To learn about the pressures of innovation</p> <p>To understand the value of innovation</p> <p>To learn about ways of becoming an innovative organisation</p> <p>To learn about how to protect innovation and intellectual property</p> <p>To learn about the impact of an innovation strategy on the functional areas of the business</p>	<p>4 hours</p>	<p>Types of innovation should include product and process innovation.</p> <p>Ways of becoming innovative include:</p> <ul style="list-style-type: none"> <li>• kaizen</li> <li>• research and development</li> <li>• intrapreneurship</li> <li>• benchmarking.</li> </ul> <p>Ways of protecting intellectual property include patents and copyrights.</p>	<ul style="list-style-type: none"> <li>• <a href="#">YouTube – Business model innovation</a> (8:22m) (excellent video)</li> <li>• <a href="#">Tutor2U – Revision presentation – Innovation</a></li> <li>• <a href="#">BBC News – Patent wars: Stripping the iPhone bare</a> (3:33m)</li> <li>• <a href="#">Tutor2U – Revision presentation – Protecting a business idea</a></li> <li>• <a href="#">YouTube video – Kate Keene and the continuous improvement</a> (10:05m) (excellent video on Kaizen)</li> <li>• Business Review magazine – Volume 15 – Number 3 ‘<i>Innovation – The heart of business success</i>’</li> </ul>

### 3.9.3 Assessing internationalisation

Learning objective	Time taken	Guidance	Resources
<p>To learn about reasons for targeting, operating in and trading with international markets</p> <p>To understand factors influencing the attractiveness of international markets</p> <p>To learn about reasons for producing more and sourcing more resources abroad</p> <p>To learn about ways of entering international markets and value of different methods</p> <p>To learn about influences on buying, selling and producing abroad</p> <p>To learn about managing international business including pressures for local responsiveness and pressures for cost reduction</p> <p>To understand the impact of internationalisation for the functional areas of the business</p>	<p>11 hours</p>	<p>Methods of entering international markets include:</p> <ul style="list-style-type: none"> <li>• export</li> <li>• licensing</li> <li>• alliances</li> <li>• direct investment.</li> </ul> <p>Decisions regarding producing overseas include off-shoring and re-shoring.</p> <p>Targeting overseas markets may include being a multinational.</p> <p>Managing international business includes Bartlett and Ghoshal's international, multi-domestic, transnational and global strategies.</p>	<ul style="list-style-type: none"> <li>• <a href="#">YouTube video (as an introduction) – McDonalds Global Strategy (4:29m)</a></li> <li>• <a href="#">Tutor2U – Presentation – Global strategy</a></li> <li>• <a href="#">Tutor2U – Presentation – International marketing</a></li> <li>• <a href="#">Educational Portal video – International business expansion methods</a></li> <li>• <a href="#">Educational Portal – Managing in International Companies</a></li> <li>• <a href="#">Educational Portal video – Internationalisation and Globalisation of businesses</a></li> <li>• <a href="#">YouTube video – Strategy and structure of MNC</a> (includes Bartlett and Ghoshal's international strategies)</li> <li>• <a href="#">YouTube video – Theo's Adventure Capitalists – Brazil 1 of 4 – BBC Documentary</a> (10.55) (entire series available on YouTube. Covering doing business in Brazil, India and Vietnam)</li> <li>• Business Review magazine – Volume 20 – Number 3 '<i>Topshop and Zara in China: why strategy matters</i>'</li> <li>• Business Review magazine – Volume 19 – Number 4 '<i>Doing business in emerging markets</i>'</li> <li>• Business Review magazine – Volume 19 – Number 2 '<i>Africa – Less guilt, more action</i>'</li> <li>• Business Review magazine – Volume 18 – Number 2 '<i>Postcard from Dubai</i>'</li> <li>• Business Review magazine – Volume 16 – Number 3 '<i>Globalisation – A new world order?</i>'</li> <li>• <a href="#">Teaching Guide, Bartlett and Ghoshal's international, multi-domestic, transnational and global strategies</a></li> </ul>

### 3.9.4 Assessing greater use of digital technology

Learning objective	Time taken	Guidance	Resources
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	4 hours	Digital technology should include e-commerce, big data, data mining and enterprise resource planning (ERP).	<ul style="list-style-type: none"><li>• <a href="#">Educational Portal video – Technology’s impact on marketing and marketers</a></li><li>• <a href="#">Educational Portal video – e-business enhanced and e-business enabled organisations</a></li></ul>

## 3.10 Managing strategic change

Total time: 30 hours + 2 hours for assessment/revision activities.

### 3.10.1 Managing change

Learning objective	Time taken	Guidance	Resources
<p>To learn about causes of pressures for change</p> <p>To understand the value of change</p> <p>To understand the value of a flexible organisation</p> <p>To understand the value of managing information and knowledge</p> <p>To learn about barriers to change</p> <p>To learn how to overcome barriers to change</p>	11 hours	<p>Types of change include:</p> <ul style="list-style-type: none"> <li>• internal change</li> <li>• external change</li> <li>• incremental change</li> <li>• disruptive change.</li> </ul> <p>Managing change should include:</p> <ul style="list-style-type: none"> <li>• Lewin's force field analysis.</li> </ul> <p>Flexible organisations include:</p> <ul style="list-style-type: none"> <li>• restructuring</li> <li>• delayering</li> <li>• flexible employment contracts</li> <li>• organic structures vs mechanistic</li> <li>• knowledge and information management.</li> </ul> <p>Kotter and Schlesinger's four reasons for resistance to change.</p>	<ul style="list-style-type: none"> <li>• <a href="#">YouTube video – What is change management? (3:27m)</a></li> <li>• <a href="#">Tutor2U – Presentation – Change management</a></li> <li>• <a href="#">Educational Portal video – How internal and external factors drive organisational change</a></li> <li>• <a href="#">BBC Learning Zone video – Crisis management in business (6.08)</a></li> <li>• <a href="#">Educational Portal video – The Planned change process</a></li> <li>• <a href="#">Educational Portal video – Lewins' 3 stage model of change</a></li> <li>• <a href="#">Educational Portal video – Kurt Lewins' Force Field Analysis Change Model</a></li> <li>• <a href="#">Education Portal video – Kotter's 8 step change model of management</a></li> <li>• <a href="#">Educational Portal video – Applying Kotter's 8 step change model</a></li> <li>• <a href="#">Tutor2U – Lewins force field model</a></li> <li>• <a href="#">Teaching Guide Lewin's force field analysis, Podcast</a></li> <li>• Business Review magazine – Volume 20 – Number 1 'The return of privatisation'</li> <li>• Business Review magazine – Volume 18 – Number 3 'Crisis management – The last resort'</li> <li>• Business Review magazine – Volume 18 – Number 2 'British Airways – Managing change in a competitive market place'</li> </ul>

		<p>Kotter and Schlesinger's six ways of overcoming resistance to change.</p>	<ul style="list-style-type: none"> <li>• Business Review magazine – Volume 18 – Number 2 <i>'Leading people through change'</i></li> <li>• Business Review magazine – Volume 17 – Number 4 <i>'Adapting in the airline industry'</i></li> <li>• Business Review magazine – Volume 16 – Number 4 <i>'Resistance to change'</i></li> <li>• Business Review magazine – Volume 16 – Number 3 <i>'Internal forces causing business change'</i></li> <li>• <a href="#">Tutor2U – Revision presentation – Delaying</a></li> <li>• <a href="#">Educational Portal video – Organisational downsizing – Definition, strategies and Business impacts</a></li> <li>• <a href="#">Undercover Boss (UK) – Series 2 – Episode 5 – Viridor</a> (CEO meets with temporary worker and discuss the pros and cons of using temporary contracts. Show from 25:11 to 30:00, 37:57 to 38:13 and 40:28 to 41:35. Duration approx 9m)</li> <li>• Business Review magazine – Volume 17 – Number 3 <i>'Part-time and flexible working – A new approach'</i></li> <li>• Business Review magazine – Volume 16 – Number 4 <i>'Charles Handy's shamrock organisation'</i></li> <li>• <a href="#">Teaching Guide, Kotter and Schlesinger's reasons for resistance to change</a></li> <li>• <a href="#">Teaching Guide, Kotter and Schlesinger's model for overcoming resistance to change</a></li> </ul>
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### 3.10.2 Managing organisational culture

Learning objective	Time taken	Guidance	Resources
<p>To understand the importance of organisational culture</p> <p>To learn about the influences on organisational culture</p> <p>To learn about the reasons for and problems of changing organisational culture</p>	4 hours	<p>Cultural models should include:</p> <ul style="list-style-type: none"> <li>• Handy's task culture, role culture, power culture and person culture</li> <li>• Hofstede's national cultures.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Hand-out – Corporate culture – Types of culture</a></li> <li>• <a href="#">Tutor2U – Presentation – Business Culture</a></li> <li>• <a href="#">Educational Portal – Hofstede's cultural dimensions theory</a></li> <li>• <a href="#">YouTube video – Hofstede's Model on Cultural Dimensions (5.35)</a></li> <li>• <a href="#">YouTube video – Geert Hofstede – The recent discovery about cultural differences(29.35)</a></li> <li>• <a href="#">Teaching Guide, Handy's Culture</a></li> <li>• <a href="#">Teaching Guide, Hofstede's National Cultures</a></li> <li>• Business Review magazine – Volume 19 – Number 4 'Culture'</li> <li>• Business Review magazine – Volume 19 – Number 4 'Charles Handy'</li> </ul>

### 3.10.3 Managing strategic implementation

Learning objective	Time taken	Guidance	Resources
<p>To learn how to implement strategy effectively</p> <p>To understand the value of leadership in strategic implementation</p> <p>To understand the value of communication in strategic implementation</p> <p>To understand the importance of organisational structure in strategic implementation</p> <p>To understand the value of network analysis in strategic implementation</p>	8 hours	<p>Organisational structures to include: functional, product based, regional and matrix structure.</p> <p>Network analysis to include:</p> <ul style="list-style-type: none"> <li>• understanding and interpreting network diagrams</li> <li>• amendment of network diagrams</li> <li>• identifying the critical path and total float.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Tutor2U – Presentation – Strategic planning</a></li> <li>• <a href="#">Tutor2U – Presentation – Corporate planning and strategy</a></li> <li>• <a href="#">Educational Portal video – The Strategic management process</a></li> <li>• <a href="#">Educational Portal video – Strategy and organisational structure</a></li> <li>• <a href="#">Educational Portal video – Setting business department goals</a></li> <li>• <a href="#">Educational Portal video – Types of contemporary organisational designs: matrix, teams and network designs</a></li> <li>• <a href="#">Educational Portal video – Organisational size impacts on structure and design of an organisation</a></li> <li>• <a href="#">Tutor2 U – Presentation – Critical path analysis</a></li> <li>• <a href="#">Tutor2U – Hand–out – Critical path</a></li> <li>• <a href="#">Bee business bee YouTube video CPA (11.43)</a></li> <li>• <a href="#">Teaching guide, making strategic change</a></li> <li>• <a href="#">Teaching Guide, Network Analysis</a></li> </ul>

### 3.10.4 Problems with strategy and why strategies fail

Learning objective	Time taken	Guidance	Resources
<p>To learn about difficulties of strategic decision making and implementing strategy</p> <p>To learn about planned vs emergent strategy</p> <p>To understand reasons for strategic drift</p> <p>To learn about the possible effect of the divorce between ownership and control</p> <p>To evaluate strategic performance</p> <p>To understand the value of strategic planning</p> <p>To learn about the value of contingency planning</p>	7 hours	The effect of the divorce between ownership and control to include corporate governance.	<ul style="list-style-type: none"> <li>• <a href="#">Educational Portal video –Types of planning: strategic, tactical, operational and contingency planning</a></li> <li>• <a href="#">Tutor2U – Presentation – Strategic planning</a></li> <li>• <a href="#">Tutor2U – Handout – Business ownership and control</a></li> <li>• Business Review magazine – <i>Volume 20 – Number 3</i> ‘what now for Tesco?’</li> <li>• Business Review magazine – Volume 19 – Number 4 ‘Facebook’s growing pains’</li> <li>• Business Review magazine – Volume 19 – Number 3 ‘Failure – Better than success?’</li> </ul>