

BTEC Level 1-2 First Award in Business

First teaching September 2018

Sample Marked Learner Work

SECTOR: Business

Unit 3: Enterprise in the Business World

Learning Aim B – Plan an idea for a new business

Merit level

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You will need to refer to the appropriate specification alongside these sample materials.

Note:

- The Authorised Assignment Brief (AAB) used for generating this learner work is the same as the one provided by Pearson. Centres are expected to get the AAB fully internally verified prior to being issued to the learners.
- The learner work generated is an exemplar of standard for a particular Learning Aim(s) and grade(s), and **NOT** a response to the entire task detailed in the Authorised Assignment Briefs. We therefore expect centres to use this resource to exemplify how to structure a response to a task. We also encourage centres to use this work to standardise their Assessment teams and demonstrate to learners the level of work expected to achieve the different targeted grades outcome.

BTEC Assignment Brief

Qualification	BTEC Level 1 - 2 First Award in Business
Unit number and title	3: Enterprise in the Business World
Learning aim(s)	B: Plan an idea for a new business
Assignment title	My Business Idea
Assessor	J Smythe
Issue date	January 14th
Hand in deadline	February 1 st

Vocational Scenario or Context	<p>Your business advisor is pleased with the research you carried out on factors and trends and would like to know more about your business idea. He has asked you to provide information on other successful businesses in your locality, and prepare a realistic initial plan for your business idea. This work must be supported by your primary and secondary research.</p>
Task 1 Part A	<p>Research into successful businesses</p> <p>The advisor believes that understanding what makes other businesses successful may help you to make your idea a success.</p> <p>Your first task will be to select two local businesses and find out what makes them successful. This could be financial, customer satisfaction or social success.</p> <p>Information sheet for the Business Advisor</p> <p>Use your findings to create an information sheet that describes what makes the two chosen business successful e.g. by finding innovative solutions, meeting the needs of new and existing customers, being entrepreneurial and/or having a strong vision.</p> <p>Be sure to include examples from the businesses.</p> <p>Conclude by comparing the features, strengths and weaknesses of the two businesses, showing both the similarities and differences.</p>
Task 1 – part B	<p>Your business advisor has asked you to create an initial plan for your business idea, justifying its potential for success in relation to existing local businesses.</p> <p>Research of the local area</p> <p>To ensure that your idea is realistic, research the market and identify gaps and opportunities for your proposed product or service. Look at which customers you would</p>

	<p>target, and how your proposed product or service will meet their needs. You will use this information to create an initial business plan to put forward your idea to the business advisor.</p> <p>Initial plan for a business idea</p> <p>Your plan should justify your idea and include:</p> <ul style="list-style-type: none"> • your vision for the business • the proposed product or service, to include a minimum of four features and its benefits • how this product or service has the potential to respond to market needs • the target customer e.g. their age, location, interests and concerns • possible routes to market e.g. physical, online or both • ideas for how the product/service will be branded and promoted to prospective customers • competitors, and your proposed strategy for dealing with them • ideas for financing the business, and the financial viability of the idea • other resources that will be needed i.e. time, premises, materials, equipment and human • the likelihood of success or failure of the business • identification of any major barriers to success • an appendix containing your market research from the local area
Checklist of evidence required	<p>Part A: Information sheet with supporting research</p> <p>Part B: An initial plan with an appendix of research</p>
Criteria covered by this task:	
Unit/Criteria reference	To achieve the criteria you must show that you are able to:
2B.D2	Justify how the initial plan for a business idea has potential for success in relation to existing local businesses.
2B.M3	Compare the features, strengths and weaknesses of two successful businesses.
2B.M4	Explain how the initial plan for a business idea has the potential to respond to market needs
2B.P3	Describe, using relevant examples, the features of successful businesses.
2B.P4	Prepare a realistic initial plan for a business idea suitable for the local area.

Sources of information to support you with this Assignment	<p>Books</p> <p>BTEC First Business Student Book, Bentley, P., Carysforth, C., Chandler-Corris, L., Glencross, K. and Nield, M. Harlow: Pearson (2013) 978-1-44690-136-6.</p>
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	<p>BTEC Level 2 Certificate in Business Enterprise Learner Handbook with ActiveBook; Donaldson, S; Parry, C; Smith, J; Bunn, C; Pearson (2017) 978-1292196930.</p> <p>Websites The BBC 'Bitesize' website for Business and Enterprise: www.bbc.co.uk/education/subjects/zpsvr82</p> <p>The Federation of Small Businesses www.fsb.org.uk</p> <p>Website and resources for business from entrepreneur Peter Jones www.peterjones.tv</p>
Other assessment materials attached to this Assignment Brief	None

Introduction to Learner work

The learner work that follows has been assessed accurately to national standards. This is one example of **Merit** grade achievement for **Learning Aim B** on an internally assessed unit.

The learner is in **Year** two and is completing the Pearson BTEC Level 1/2 First Award in **Business** at a school alongside other qualifications.

The learner has submitted **Assignment 2, Learning Aim B** and it has been assessed as **Merit** standard.

Commentary

The learner has submitted **Assignment 2** to cover **Learning Aim B: plan an idea for a new business**. They have completed a report which covers the required material fully, the learner has completed relevant market research, investigation of competitors and likely costs. Appropriate references have been provided to show where research has been completed.

For 2B.P3, the learner needs to describe, using relevant examples, the features of successful businesses they have individually identified. The relevant topic areas in the specification are Topic B.1. The headings to be considered include 'finding innovative solutions', 'meeting customer needs', 'identifying new needs', 'continuing to meet established customer needs', 'being entrepreneurial' and 'importance of having a strong vision and seeing it through'. Learners should also consider some of the different measures of success, e.g. financial, social and customer satisfaction measures.

This learner has produced a leaflet looking at four different successful businesses and has described the features of each. The learner has used businesses that have a presence in the local area and has provided a comparison of features, strengths and weaknesses of two of these businesses to achieve criterion 2B.M3. The Assignment Brief asks for local businesses which this learner has taken to mean businesses that could be accessed locally. This is acceptable.

For 2B.P4, the learner needs to prepare a realistic initial plan for a business idea suitable for the local area. This must include an individual rationale with supporting evidence of appropriate research appropriate for the local area. The learner needs to include routes to market, finance for the model and its financial viability. This learner has produced an initial plan for a business called Happy Cakes. The initial plan for their business is realistic and they have provided a good explanation of how their idea has the potential to respond to local market needs which meets 2B.M4.

The learner has provided limited justification however. A more detailed evaluation of the viability of the business with justification of how the challenges and how they would be addressed was not completed and so the learner has not achieved the distinction criterion 2B.D2.

Learner work

Successful Businesses a report by Amrit Patel

TESCO is one of the very large supermarkets in the UK, it sells online, it has a small Tesco near where I live and a huge one out of town.

What makes a business successful?

One measure of success is profit, TESCO made billions of profit- 1.64 billion pounds in 2017-18 expected to increase to 2.08 billion pounds this year.

<https://uk.reuters.com/article/uk-tesco-results/tesco-to-report-jump-in-profit-as-key-targets-loom-idUKKCN1RH1I2>

Another measure is customer satisfaction, even though TESCO faced scandals they still are the most successful of the UK supermarkets with 27.4 percent share of Britain's grocery market. They wouldn't be if they didn't provide the goods and services that customers want. The institute of customer service said that TESCO's high customer service score was what turned their fortunes around. They were most improved recording the sector's largest year-on-year increase in customer satisfaction, up 1.2 points to 80.1 (on a 100 point Index). Tesco's biggest areas of improvement were for measures of complaint handling and the proportion of customers who reported staff got things 'right first time' (85%).

<https://www.instituteofcustomerservice.com/media-centre/press-releases/article/customer-satisfaction-rise-underpins-tesco-financial-recovery>

- Finding innovative solutions

To compete with the rising budget supermarkets TESCO has introduced Jack's which is an innovation to try and keep sales that are being lost to the discounters. Jack's is named after Jack Cohen, who in 1919 founded the business that became Tesco, it will sell 2,600 essential items including 1,800 Jack's-branded products rather than the thousands that the big supermarkets sell.

- Meeting customer needs

TESCO have always looked at what customers need and tried to meet them, from being a one stop solution where flowers, magazines, foreign currency, passport photos, fresh bread, vegetables, free parking, clothes, chemist, optician, groceries etc. can be shopped for in one place and even lunch be eaten to selling phones and phone credit to insurance and loans.

Recently they announced a new range of plant based foods for vegans called Tesco Plant Chef. One of the reason they are so successful is because they keep up with new trends and adjust what they sell to make sure they supply what customers want.

<https://www.tescopl.com/news/2019/new-plant-based-range/>

- doing it better than competitors

The supermarkets are very similar and tend to match each other's deals but despite this, TESCO have the highest market share, their range of products and services and customer service must be better than most of their competitors.

- Identifying new needs

Internet shopping and click and collect are an example of TESCO meeting new needs of shoppers, so many people shop online and busy lifestyles mean offering these services helps TESCO continue to be successful.

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<https://www.tescopl.com/news/2019/new-plant-based-range/>

Continuing to meet established customer needs

The excellent customer service scores and increased sales show that TESCO are the best at meeting the needs of their customers, they still have many manned check outs and provide self scanning to save time and free fruit to give to children.

Apple is one of the most successful businesses in the world, the owner Steve Jobs and the brand Apple has absolutely loyal followers who will queue for hours to buy the latest iphone s soon as it comes out.



This is a picture of the Apple store near where I live

Finding innovative solutions

The ipod was an innovation that completely transformed the way people listened to music, the business model didn't just involve the hardware, the system for downloading the music, now movies etc., was innovative too.

The Apple mac computers were innovative and transformed the personal computer, the ipad and the iphone did the same thing, they transformed the user experience, completely revolutionising the way the technology was used.

Being entrepreneurial goes hand in hand for Apple, Steve Jobs set the business up, took the risks, developed the brand and had the strong vision. He was Apple, the business did badly when he left and returned to greatness when he came back. Innovation was in the culture of the business, employees adopted the vision and through their efforts and Steve Job's driving force the business was more and more successful because of the innovation, the entrepreneurial spirit, the vision and above all the drive to see it through by Steve Jobs.

Meeting customer needs

Apple are very good at telling people what they want and selling their products, iPhones are definitely not just phones, people didn't know that they needed smart phones until they were developed and now they need the support services that go with them such as iTunes. The latest from Apple is a streaming service for films/television and a self-driving electric car.

Tesla

Tesla is a maker of electric cars and lithium batteries, solar panels and space rockets and is also involved in other innovative projects. Similarly to Apple, the founder Elon Musk had the vision and motivation to drive the development of the electric cars and batteries. He says he is dedicated to revolutionising transportation both on Earth and in space. His automaker, Tesla Motors, which was founded in 2003 with money he made from selling PayPal. He is about the only billionaire to support the climate change activist Greta Thunberg.



This is the Tesla showroom in my town

Finding innovative solutions

His vision was to find another way to power cars and he drove the development of battery technology and electric cars. The oil companies and car producers really don't

like him but he had the determination to follow his idea through and the cars are amazing.

The business is innovative in the use of social media for campaigns too, Elon Musk has just hired the man that devised the “absolute unit” giant sheep picture that went viral.

Meeting customer needs

Electric cars have had very bad press but Elon Musk decided to make sure no Tesla will run out of battery by providing superchargers just about everywhere and they are free to use for Tesla owners. The cars are designed to provide just what customers want from a car- reliability, style, affordability (considering a relatively few are made compared to fossil fuel cars, they are affordable), speed, safety etc.

The business is “one of the few successful independent automakers along with being a pioneer when it comes to the electric car market”. The cars were given incredible reviews “best ever tested” by the industry critics and the business just keeps improving on that success.

<https://www.investopedia.com/articles/personal-finance/061915/story-behind-teslas-success.asp>

Identifying new needs

The electric cars were made because people wanted to drive around without destroying the planet, there was a gap in the market and Tesla filled that gap. The number of cars sold and the excellent reviews from happy owners show how successful the business is. The latest Tesla cars are a bit cheaper, appealing to average drivers not just rich ones, unfortunately we drive on the opposite side of the road so they are always a bit more expensive here due to needing to be adapted. The new model 3 has become the UK’s third most popular car and the Model 3 registrations overtook popular cars including the Ford Focus, the Vauxhall Corsa and the Mercedes-Benz A-Class in August. Only the Ford Fiesta and the Volkswagen Golf sold more during the month.

<https://www.theguardian.com/technology/2019/sep/05/tesla-model-3-was-uk-third-best-selling-car-in-august>

Continuing to meet established customer needs

One of the very good after sales service of Tesla is the constant updates the cars receive to make them more and more efficient, as well as the free charging.

“Tone up and get fit”

This business is a weight loss and toning business in my local town. They specialise in losing weight and toning so they supply full body vibration machines to help people lose weight or tone up. Instead of just offering the vibrations plates to customers they also have sunbeds and keep fit classes. Supatone is easier than going to the gym because the machines do all the work for you which saves you working out. Also you don’t have to become a member or Supatone you can go in whenever you want and pay as you go.

What makes a business successful?

The business was started two years ago by two sisters who were overweight and unfit. They didn't like the gym so set up this business to help themselves and people in a similar situation. They are meeting the needs of customers who do not want to be shown up in a gym and want to gently lose weight and have fun. Customers like the relaxed sessions so much that many have made friends, the machines and exercise work well especially with encouragement from the owners and other customers at the business.

The aim of the owners was not to make lots of money but to help themselves and others, they make enough to live on, have lost weight themselves and toned up and now have many friends.

Identifying new needs

New classes that there was a need for, include self defence, assertiveness, mindfulness and confidence boosting. These have proved to be very popular and contribute to the aims of the business, which is to give the customers a new lease of life and motivation to succeed.

Being entrepreneurial

The sisters have found that their confidence has increased massively and they are finding that they are very good at running a business, particularly at meeting the social aims. They keep coming up with new ideas which attracts more and more customers.

Business “Tone up and get fit”

This Business is a partnership set up by two sisters that aim to help people like themselves to gain confidence, get fit and tone up.

Their aim is not to make a huge profit but more to provide a social service while making enough money to live on. They have found that the business has become their social life and all their friends attend classes. Their customers come from the local area, forty miles is the furthest customers travel from.

<u>Features</u>		<u>Strengths</u>		<u>Weaknesses</u>	
<p>They have everything under one roof such as the toning machines and other facilities including large rooms for classes.</p> <p>They are a partnership so they share the work, responsibility and profit equally.</p>	<p>Comparing these features with Tesla shows how different they are. There are just the two sisters and two part-time workers whereas Tesla have thousands of workers, directors, managers and are the equivalent of a public limited company.</p> <p>The partnership just has the two owners, Tesla has many shareholders.</p> <p>The sisters provide a service and don't need to make a lot of profit. Tesla make high performance electric cars and batteries in large factories and have shareholders who want profits.</p>	<p>Having everything under one roof is a strength because it saves customers having to go to a gym for classes.</p> <p>Loyal customers are a strength along with the small size and friendly atmosphere. This is exactly what their customers want from the business, they are nurtured and encouraged without any pressure.</p> <p>It is a family business with just the two partners to make decisions, they both agree on the aims and don't require lots of profit. They can adapt easily, providing confidence building for example because there was a need.</p>	<p>Comparing the strengths with Tesla, both have very happy, loyal customers and both put their efforts into making sure they know what customers want and meet their needs.</p> <p>Being small is a strength for “Tone and get fit”, they wouldn't want to grow too much because they would lose their USP. The sisters can please themselves what they want from the business and they don't have to share bprofits with anyone.</p> <p>Being a large company is a strength for Tesla, it needs lots of money for investment because car production needs lots of factories, machinery and technology. They need to keep innovating and growing the company which takes money. Both businesses have very good USPs and are not too bothered by the competition.</p>	<p>The size of the business means it is harder to grow and raise finance, the fact that it is a partnership means it will end if one partner dies.</p> <p>They don't have a logo or brand image so it is harder to attract new customers that don't come through word of mouth. These weaknesses are not too important when the business aims to make enough money for the sisters to live on and not much more.</p>	<p>Comparing weaknesses of the two businesses</p> <p>The size of both businesses is a weakness, “Tone up and get fit” because it makes it difficult to grow- it could become a franchise but that would meanputting lots of money into marketing to get brand recognition.</p> <p>For Tesla having to be large scale is a weakness because it has to make profit for shareholders and profit is not the only aim of the business. The aim for making the electric vehilcles was to help make zero emission cars affordable. This takes time and lots of investment before big profits are made.</p>

Business Tesla is a company in America with factories in other countries such as China and showrooms and sales all over the world. It is owned by its shareholders so it aims to make profit, although Elon Musk has a mission to sell zero emission cars to help the planet whilst wowing customers with extraordinary cars first, then make profit.

<p><u>Features</u></p> <p>Tesla is international with many employees, the cars and batteries are sold world wide. The Tesla brand is well known in many countries and is associated with high performance, exclusive cars. People recognise the brand from the logo which is always shown whenever Tesla cars or batteries or news about Elon Musk is shown.</p>	<p>Comparing the features, the sisters' business is local and Tesla are international. Both have very happy customers and both are meeting their customer needs even though the customers and what they want from the business are so different. "Tone up and get fit" doesn't have a logo and the brand does not have wide recognition, it does some local adverts but customers mainly hear about the business through word of mouth, articles in the local press or face book.</p>	<p><u>Strengths</u></p> <p>Tesla is a pioneer in electric vehicle production, the first company dedicated to making purely electric cars. It has its own battery factories which means unlike some other electric cars it doesn't have to wait for the batteries. It has the potential to grow into a huge, profitable business as the cars come down in price due to economies of scale, more and more people will afford them. Instead of selling through dealerships, Tesla sells directly with posh showrooms to give customers an experience when buying.</p>	<p>Comparing the strengths</p> <p>Tesla has very ambitious aims which, against the odds are being achieved. The ambitions of the sisters are also being achieved, although on a much smaller scale. Both businesses have similar strengths with the people representing the business, the sisters are an amazing advert for the success of their services. The face of Tesla being Elon Musk is a strength as he is famous and has such presence and is known for his vision and determination.</p>	<p><u>Weaknesses</u></p> <p>Tesla has major opposition from the big oil companies and the American car companies. This makes it more difficult for Tesla because Elon Musk and Tesla get quite a lot of bad press.</p> <p>The shareholders invest because they want to have profit, this could be a weakness because the huge investment needed means profit is slow to come. Conflict between shareholders and the board of directors is not good for the business. The share price is low at the moment meaning the business is valued at less than it was, so it could be in danger of being taken over.</p>	<p>Comparing the weakness</p> <p>Tesla has to have many employees, some who are not that loyal and have been negative in the press.</p> <p>Large businesses are more difficult to control and they may lose the original high ideals and purpose.</p>
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In conclusion the two businesses are completely different, type of business, size, purpose is different but there are strengths and weaknesses for each of these two. People in the partnership are a strength because they are committed and they suit the small size which is also a strength because the friendliness suits their social aims. In a way you could say that both have a mission, the sisters to help people get fit and build their confidence. Tesla has a mission to make zero emission cars affordable for everyone, they obviously have experts working for them, so employees are a strength for them too but because of the very large size of business, employees can also be a weakness as can the need to keep shareholders happy. Both businesses are successful. Their strengths outweigh their weaknesses.

Task 1 – part B

My brainstorm

What ideas may work?-

- What is trending?
- Smart phone apps
- Wearable technology
- Cup cakes
- What can save people money in a recession?
- Second hand shop
- Pound shops
- What do people spend their money on?
- Driving lessons
- Going out
- Food and treats
- What ideas are making money that I could do better or cheaper in the area?
- Ironing service
- Skate park
- Children's soft play/indoor ball park

I have to come up with a realistic plan for a start-up business in my area. Phone Apps, wearable technology, skate park and soft play cost too much to develop. I can't iron and don't like the idea of second hand, they are already there for making money for charity and there are too many pound shops already.

Initial Business Plan

Model

Initial Business Plan

For my business idea I have chosen to set up a cake shop in Rugby called Happy Cakes, not in the centre which is expensive but on a row of shops near schools and nurseries with offices near by too. I will also host children's cake decorating parties once I get established.

Features

The features of my business- I am selling home made cakes to people passing by, special cakes to order for special occasions and I am also putting on children's parties where they bake and decorate their own cakes. People can choose the designs for special cakes I offer or they can design their own. I bake the cakes fresh each day from the shop which is located out of town with parking nearby.

I will employ local Mum's part-time to work for me helping with the cakes and serving, the shop front will be colourful and inviting with a big display of cakes.

The design and logo of my shop will represent my business such as having pictures of cakes on the logo so it will stand out and attract to customers so they will know that it is a cake shop straight away. When customers leave the shop they won't just leave with cakes they will also leave being joyful and happy because the atmosphere and surroundings will be cheerful and colourful.

The reason I have chosen this business and location is because there aren't many cake shops based in Rugby so having my own cake shop in the area will be a great idea because people that tend to buy cakes don't have to travel as far to go to a cake shop. I am on the way to two schools and two nurseries as well as the famous Rugby school, so the smell of cakes baking should attract people who will come in and try my lovely cakes.

The area where I want to set up is on a row of shops with a post office, a mini market and a hair dressers. The nearest cake shop is twenty miles away. This is my nearest competition it is called Abijacs and it is similar to my cake shop but it doesn't do children's parties. There is also one in the town centre called Cakes Fabulous Cakes, this is quite like mine with similar products but again they don't do children's parties. There is a supermarket three miles away that sells cakes but these are not special like mine.

Sales of cakes especially cup cakes has steadily risen over the past few years, the trend of having cup cakes instead of a wedding cake is also growing. Also, Mintel reports that "couples are trading in the elaborate wedding cake for individual cupcakes."

The popularity of programmes such as Bake Off has added to the interest, I'm hoping my cakes decoration themed birthday parties will also be popular. There is a constant demand for birthday cakes, I intend to have various designs on display so children passing on the way to school will see them and want them.

Analysis of my quick research where I asked Mums on the way to school and nursery and office workers, shows that there would be demand for my cakes- both made to order and cupcakes.

From my primary research I think I will sell about 60 small cakes on an average day and 3 large cakes. I got these figures from observing how many people walk past where my shop will be every day- which in a normal school week was about 180. Some of these walked past twice on the school walk so I wouldn't expect them to stop and buy both ways. Some of the people were pensioners going to the post office who may not buy cakes as often, but most were Mums and school or nursery children.

I also counted a few Rugby school pupils on most days, these are wealthy students boarding in the town at the famous private school. I am expecting the lovely smell of baking to attract sales and the window displays will be an amazing advertisement of what special cakes I can offer. I expect to sell an average of 8 special cakes a week and an average of 4 birthday parties a week. I got these estimates from talking to the parents passing me when I was observing the footfall. Of all of the mums I spoke to 62% said they would buy at least one special cake every two months so I am confident that I can sell three large cakes a day on average.

I have found a supplier for all my cake supplies and because I am buying in bulk, it will be wholesale prices, to price my cakes I will use this formula price = (materials + labor + overhead) x 130% . This includes ingredients, payments to me and my staff at £8.50 an hour and the overhead costs. Business rates are quite low because I am out of town and heat and light is also reasonable, other costs are insurance. The cup cakes are cheaper to make and less timeconsuming, so the mark up on them is lower at 24% so I can make them competitive in price.

I will be making a wide range of cakes for different events such as birthdays weddings or just for general day to day and I will have low calorie, organic and gluten free options. I will also do children's birthday parties where they make and decorate cakes as well as have a sit down menu and party games. The special birthday cake will be specially designed for the birthday girl or boy and there will be a discount for parties. If my business goes to plan and how I expected then we should we open by September 2019 .

I will need finance of about £4500 to start up to pay for rent in advance, equipment, fixtures and fittings and will need to make over £1,200 to cover monthly running costs. The running costs include ingredients, electricity, wages, rent etc. as below.

Start up costs	
Baking equipment	450
Food mixers	240
Cakes cases	100
Cake boxes	200
fridges	800
Fixtures and furniture	500
Opening party	400
Rent Deposit	800
Double oven	800
Total start-up cost	£4290

Monthly costs	
Rent	400
Rates	100
Electricity	100
Water	60
Phone	40
Marketing	100
website	25
van	200
Ingredients/decorations	150
Total	£1,175

These amounts are all estimates and are from relevant research into costs and prices looking at the estate agent web site and my supplier web sites.

From my research I think I will sell about 60 small cakes on an average day and 3 large cakes. I got these figures from observing how many people walk past where my shop will be every day- which in a normal school week was about 180. Some of these walked past twice on the school walk so I wouldn't expect them to stop and buy both ways. Some of the people were pensioners going to the post office who may not buy cakes as often, but most were Mums and school or nursery children.

I also counted a few Rugby school pupils on most days. I am expecting the lovely smell of baking to attract sales and the window displays will be an amazing advertisement of what special cakes I can offer. I expect to sell an average of 8 special cakes a week and an average of 4 birthday parties a week. I got these estimates from talking to the parents passing me when I was observing the footfall. Of all of the mums I spoke to 62% said they would buy at least one special cake every two months so I am confident that I can sell three large cakes a day on average.

My location – Rugby in Warwickshire

My idea depends on having a supply of people wanting to buy cakes on the way back from school- ie passing trade, from tourists and having birthdays, weddings or other family celebrations. The population of Rugby is growing because jobs are being created by investment in the area.

“Rural Warwickshire will be transformed into a centre of enterprise that is expected to create more than 500Roadshow to the county today. A quote from David Heath MP about the Rural Growth Network, a jobs and 120 start-up businesses, Environment Minister, David Heath will announce on his Rural of £2.4 million which is expected to boost the rural economy by £50 million government investment

This is from a press release by the government and it shows that the area is getting investment. Rugby also has a growing population because of the quick trains to London. Families are moving here because it is a nice place to live and easy for the men to get to

work in London. There are lots of new houses being built so I will have a steady amount of possible customers.

91,000 people live in Rugby Borough and 60,000 people live in Rugby.

90.5% white- 84.1% white British

5.2% Asian

2.0% mixed race

2.0% Black British

0.3% other

Taken from the 2011 census

The demand for my cakes can be from any of these types of people, but it will be the adult females in the local population that are most likely to actually buy my products, but the number of children is good too.

It is a growth area and it is predicted that Rugby population could climb to 112,741 over next five years as reported by the local newspaper. This is good for my business because it will increase demand for my cakes due to the population increase.

In the local area there are lots of new businesses because money has been invested in our locality to make it high tech.

More people will have good jobs and we will also have people coming to live here from outside because of the local boom. This means more money to spend and more people to spend on everything- my cakes for example.

There are 70 crimes every month in the Rugby area, this could mean I will have to spend money on security such as a locking shutter for my cake shop.

In the Rugby high street there are a few charity shops and some budget shops such as Pound land, then there are more expensive shops such as Topshop, New Look, Burton, Hope, Monsoon, and Serenity. My shop is not in the centre but I can advertise there.

Schools and education- there is a FE college, there are four secondary schools- the famous Rugby school, eleven primary schools and about twenty five nurseries. Two of the primary schools, one of the secondary schools and the famous Rugby School are near my cake shop. These schools can provide customers for years to come.

There are many things in Rugby that attract tourists such as: Rugby School, the art gallery museum, Web Ellis Rugby football museum, and local country parks. Tourists that come to see Rugby School will walk past my shop and may buy cakes. I could think about doing a Rugby Ball cake and advertise at the Web Ellis museum.

In Rugby there is a train station and regular bus services so it is easy for people to get here and access the facilities, it is very easy to get to London from Rugby station and we have a growing population because of this.

There are four big supermarkets, one is in the middle of town- they all do cakes but the cakes are not home-made and are not as special as mine. There are quite a few little grocery shops but they don't do cakes.

I will use social media to promote my business, having a Facebook and Twitter page is an opportunity because I can reach many people, I can put pictures of weddings and birthdays and good reviews, people can like me to receive a discount. It is an opportunity because there is no cost for this advertising which can be wide spread because everyone has many friends. If all the reviews are favourable it will mean more sales and profits for me. I could even make a name for myself and possibly expand to two more than one shop.

<http://jollygoodpud.co.uk/about-us>

<http://www.cakesfabulouscakes.co.uk/birthdaycakes.html>

BTEC business book

Barrow, P., *The Best-Laid Business Plans: How to Write Them, How to Pitch Them*, 2001

Bentley, P., Carysforth, C., Chandler-Corris, I., Glencross, K. and Nield M.,

BTEC first business student book, 2012

Reuvid, J. and Millar, R., *Start Up and Run Your Own Business* (8th edition), 2011

How my business has potential to respond to local market needs

Cakes are becoming more fashionable as more people are getting them for occasions and parties such as birthdays, Christmas, Halloween, Christmas etc, because more people are buying cakes this means that my business is getting more customers which means more money for the business. Cake baking programmes on TV have made home-made cakes very popular. Some people may want them but cannot make them or don't have the time and so will buy home made cakes from me.

Cup cakes are very popular, even for wedding cakes, the more people that are happy with my lovely cakes the more sales and profit I will get from this trend- as long as I advertise them well. I will go to wedding fairs at the weekends and hopefully get lots of orders from this trend in the substitution of cup cakes for wedding cakes .

The trend of having children's parties that are different is increasing, this is an opportunity for me as the profit on each is high and there is a never ending supply of new customers, especially with the increasing population. The kids parties would happen after the shop is closed so I am making extra money from the resources that would otherwise be idle.

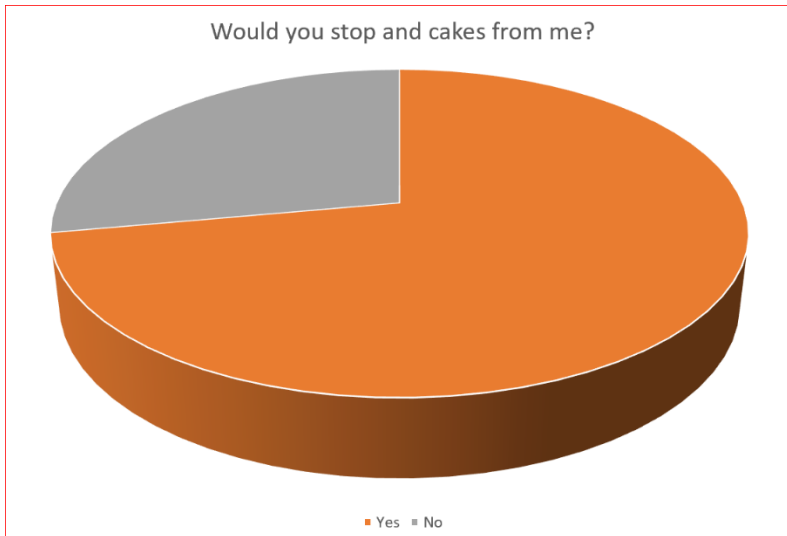
The customer target that the business/shop is aimed at is mainly the mums and children on the way back from school and nursery as well as the Rugby school pupils who do have a high amount of pocket money to spend.

The Rugby area has a population of just over 110,000. The population has increased by over 15% over the last ten years. The number of households within an area of two miles of my shop is about 3,000. Most of these have children and there are also parents driving past on the way to school that live a bit further away. Of the 1800 school children attending the local schools I would hope that at least 600 of them will notice my shop and come in and buy treats.

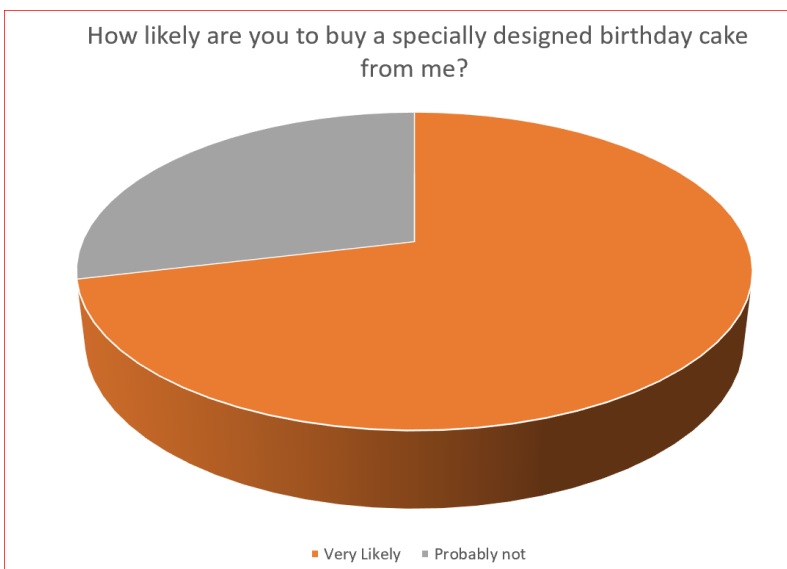
I spoke to quite a lot of parents when I was observing the footfall outside where the shop will be and most said they would actually buy a treat in preference to chocolate for the school children after school. I also asked them about the children's party idea where

the children make and decorate their own cakes and they thought it was a great idea, something they would definitely be interested in.

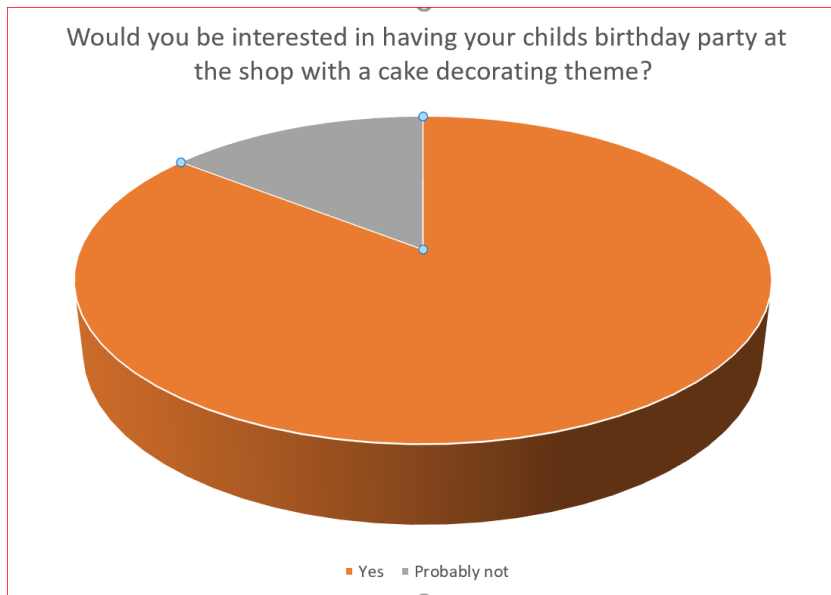
I also did a survey with the people passing by and in the area, here are the results from 500 people



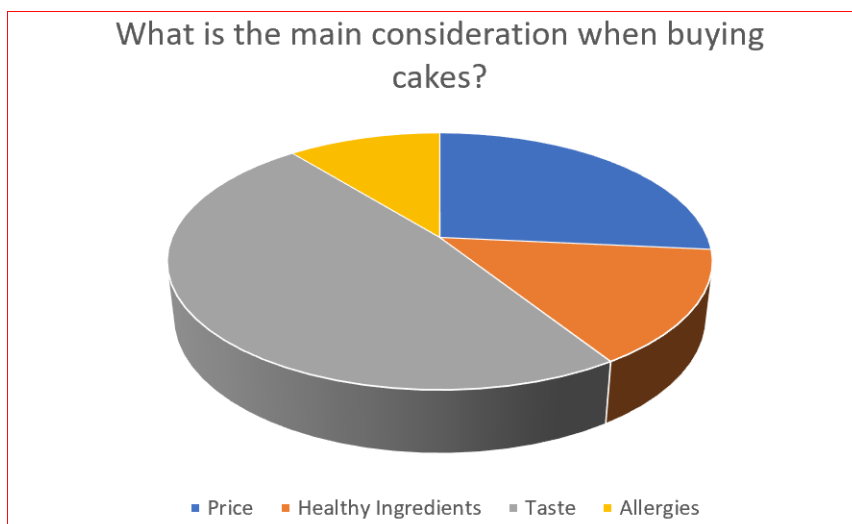
They may have just been kind but most of the people passing on the way to school, college or work said yes.



Specially designed birthday cakes were also a positive, of the people who said probably not, price was a consideration. Because they take quite along time to make, they do have to be more expensive than supermarkets but I will try to keep the price low.



Price was again the main consideration, as well as what the complete service was.



This is good information for me showing taste is the most important thing when buying cakes followed by healthy ingredients. I also need to accommodate people with allergies.

Looking at the cost of ingredients, decorations and party food, I think I will make £1.50 on each individual cake, £10.00 on each large cake and £15.00 on each special cake.

Birthday parties will make about £200 per party.

60 little cakes a day $60 \times 1.5 \times 6 \text{ days} = £540$

3 large cakes a day $3 \times 10 \times 6 \text{ days} = £180$

8 special cakes $8 \times 15 = £120$

4 children's parties $4 \times 200 = £800$

My weekly gross profit works out at £1640 a week

This means I will make about £6,560 a month before paying staff costs, rent etc. The running costs are about £1,200 a month. These are rough figures based on research.

The start up costs also have to be paid back and the loan if I do get one. I am estimating monthly profit without including this to be £5,360

Demand for the service

People will want to come to my cake business and not go to another shop such as Tesco's because my business specialises in baking so all the cakes are freshly baked. People will come to my Cake shop because it is unique and caters for any type of occasion also any special cake that you want baked we can make it as we do personally designed cake. I have observed the people walking by my location and I have also asked them questions to estimate the demand for cakes and for the children's parties. They were enthusiastic and most said they would actually buy from me. I will have to complete further market research but the initial testing of the demand was very positive.

The target customers

My main customers are the people in the area who pass by on the way to school and nursery and want to buy a treat for their children or a nice cake for tea. I also will target weddings and other special occasions. The target market for the cakes are people who want to buy homemade rather than supermarket and who have a special occasion to celebrate. This includes all types of people who do not do their own baking. For the children's parties, the target market is the school and nursery Mum's who want to give their child a special birthday party that is different. The income of the target market would mainly be quite high, but even people on low income would buy cakes for special occasions

The competition

Anywhere cakes can be bought could be said to be my competition but my products are high quality and home made, unlike supermarket cakes. My two main competitors offer similar products and services to me, one is in the middle of town where the rent will be higher than mine, the other competitor is not in such a popular area. Their customers have to go to them specially, they don't have passing trade from schools. Also neither of them do children's parties which I consider to be my USP. Lots of children and parents will come to the parties, will see the fabulous range of cakes and will become my customers.

I will advertise in the town so people know where I am and I will have a party for all the local mums and children just before I open with lots of offers and information about the cakes and birthday parties. I will have an advertisement in the local paper and on the radio as well as posters and fliers that I will give out. When I open I will also offer free samples to the passing trade which will show people how delicious my cakes are. For the wedding cakes I will go to wedding fares on Sundays to advertise my cakes. I will produce some very nice leaflets with pictures of all my cakes to show to people.

As a sole trader I can respond quickly to my customers. I will not have to hold meetings because I will make all decisions myself. The business is a small cake shop and so being a limited company would not suit it. If I want to change my opening hours to suit the timings of the make your own cake parties, the school holidays or if there is a special event going on in one of the schools then I can do that myself. I will be more responsive to my customer needs. As a sole trader, I will be working in the shop and this means I can talk to my customers and this means I will find out if there are any events planned, if any new trends are starting. I will be able to find out what my customers want and respond quickly to them. I will be able to change my cakes to suit their needs. These are features of successful businesses.

The research shows that there is demand for my cakes, the area is good, people can park outside and there is a passing footfall. The local population is growing and there are lots of young families moving to the local area. I have looked at the competition and am confident I am superior with my USP of homebaked delicious cakes to order, as well as birthday parties to fully utilise the resources of the business. The way I am promoting is low cost and effective and financially I have enough coming in each month to cover the costs going out. Start-up costs are not too high and as long as I work hard I should be able to make profit in the first year, as well as taking the living wage each week.

Learner Assessment Submission and Declaration

This sheet must be completed by the learner and provided for work submitted for assessment.

Learner name: Amrit Patel		Assessor name: J Smythe	
Date issued: January 14 th	Completion date: February 1 st	Submitted on: February 1 st	
Qualification: BTEC First award			
Assessment reference and title: B: Plan an idea for a new business			

Please list the evidence submitted for each task. Indicate the page numbers where the evidence can be found or describe the nature of the evidence (e.g. video, illustration).

Task ref.	Evidence submitted	Page numbers or description
	Report	
Comments for note by the Assessor:		

Learner declaration

I certify that the work submitted for this assignment is my own. I have clearly referenced any sources used in the work. I understand that false declaration is a form of malpractice.

Learner signature: *A Patel*

Date: February 1st

ASSESSMENT RECORD SHEET				
Programme	BTEC First Award		Learner name	Amrit Patel
Assignment title	B: Plan an idea for a new business		Assessor name	J Smyth
Unit no. & title	Unit 3: Enterprise in the Business World		Targeted assessment criteria	2B.D2, 2B.M3, 2B.M4, 2B.P3 2B.P4
Issue date	January 14 th		Submission deadline	February 1 st
First submission / resubmission?*	First		Date submitted	February 1 st
Resubmission authorisation by Lead Internal Verifier*	na		Date	
Targeted criteria	Criteria achieved? (Yes / No)	Assessment comments		
2B.P3	Yes	Good work on features of successful businesses using suitable examples		
2B.P4	Yes	A good initial plan of your start-up with good links to local area		
2B.M3	Yes	Good comparison of the features, strengths and weaknesses of two very different successful businesses		
2B.M4	Yes	Good work- you have explained how your initial plan has the potential to respond to market needs		
2B.D2	No	Not attempted		

General comments			
A good attempt, I like your business idea and you have explained it well.			
Assessor declaration	I certify that to the best of my knowledge the evidence submitted for this assignment is the learner's own. The learner has clearly referenced any sources used in the work. I understand that false declaration is a form of malpractice.		
Assessor signature	<i>J Smythe</i>	Date	February 8 th
Learner comments			
Learner signature	<i>A Patel</i>	Date	February 8 th