

# **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 C: Present a business model for a business start-up**

**Distinction 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

<b>Qualification</b>	BTEC Level 1 - 2 First Award in Business
<b>Unit number and title</b>	3: Enterprise in the Business World
<b>Learning aim(s)</b>	C: Present a business model for a business start-up
<b>Assignment title</b>	My final plan
<b>Assessor</b>	Sureka Atwall
<b>Issue date</b>	April 27th
<b>Hand in deadline</b>	May 10th

<b>Vocational Scenario or Context</b>	Your business advisor has approved your initial plan and wants you to now prepare a realistic business model for an original business idea. This must draw on your market research, and include the aims and objectives of the business, finances and costs.
<b>Task 1</b>	<p>A Business Model</p> <p>Your model must be in 3 sections and will be supported by your research. Each section must be set out as follows:</p> <p>Section 1: Format/ownership</p> <ul style="list-style-type: none"> <li>• choice of format (sole trader, partnership, ltd, plc or social enterprise)</li> <li>• reasons for your choice</li> </ul> <p>Section 2: The Business</p> <ul style="list-style-type: none"> <li>• business name</li> <li>• business aims and SMART business objectives</li> <li>• product or service offered and its price</li> <li>• place (routes to market)</li> <li>• potential customers</li> <li>• likely competitors</li> <li>• financial projections for revenue and estimated expenses</li> <li>• sources of help and support in developing the business (financial and advisory)</li> <li>• stakeholders and their influence on the business</li> <li>• other considerations e.g.             <ul style="list-style-type: none"> <li>o human resources</li> <li>o branding</li> <li>o customer service.</li> </ul> </li> </ul> <p>Section 3: Conclusion</p> <ul style="list-style-type: none"> <li>• reasons for the suitability of the business idea and the reasons for rejecting other ideas</li> </ul>

	<ul style="list-style-type: none"> <li>• how and why the format and business model will enable your business to carry out its activities successfully</li> <li>• how the business will respond successfully respond to market needs and be successful in relation to existing local businesses</li> </ul> <p>Your conclusion must be clear and fully justified using well-balanced, developed arguments, and be supported by good use of research evidence.</p>
<b>Checklist of evidence required</b>	Business model Supporting research.
<b>Criteria covered by this task:</b>	
Unit/Criteria reference	To achieve the criteria you must show that you are able to:
2C.D3	Present a realistic business model for a business, explaining how the format and supporting evidence justifies the initial business idea.
2C.M5	Present a realistic business model for a business, explaining how the format and business model will enable it to carry out its activities successfully.
2C.P5	Explain the reasons for the choice of format selected for a business start-up.
2C.P6	Present a realistic business model for a business start-up.

<b>Sources of information to support you with this Assignment</b>	<p>Books 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> <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: <a href="http://www.bbc.co.uk/education/subjects/zpsvr82">www.bbc.co.uk/education/subjects/zpsvr82</a></p> <p>The Federation of Small Businesses <a href="http://www.fsb.org.uk">www.fsb.org.uk</a></p> <p>Website and resources for business from entrepreneur Peter Jones <a href="http://www.peterjones.tv">www.peterjones.tv</a></p>
<b>Other assessment materials attached to this Assignment Brief</b>	None

## Introduction to Learner work

The learner work that follows has been assessed accurately to national standards. This is one example of **Distinction** grade achievement for **Learning Aim C** 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 3, Learning Aim C** and it has been correctly assessed as **Distinction** standard.

## Commentary

The learner has submitted **Assignment 3** to cover **Learning Aim C: Present a business model for a business start-up**. They have completed a report that covers the required material fully.

For 2C.P5, the learner has explained the reasons for the choice of format selected for their business start-up, demonstrating an understanding of the characteristics of different types of format available. This learner has explained the advantages and disadvantages of the different formats and the reasons for their choice.

For 2C.P6, the learner needs to present a realistic business model for a business start-up. This learner has provided a business model that includes supporting evidence to show that their business idea is realistic. They have included aims and objectives as well as identifying the market and the market research for the business start-up. The finance section includes costs and the sources of finance and information on the brand and the importance of customer service is also included.

The learner has then developed this further for 2C.M5 by explaining how the format and business model will enable the business to carry out its activities successfully, based on its potential for success in relation to existing local businesses. The work is detailed and original, showing thorough research and thought with a detailed explanation of how the business has the required features to respond to market needs and be successful. Reasons for suitability are given along with explanations for rejecting other ideas.

For 2C.D3, the learner needs to explain how their chosen format and supporting evidence justifies the initial business idea. The learner has explained their vision well and traced the steps along the way from the original idea to the plan for a business start-up that could be potentially successful. The learner has come up with an original idea that responds creatively to market needs. They have articulated their thoughts well and justified and evaluated the likelihood of success of the development of the business idea. The learner has defined what success is and used their business plan to support judgements on whether the idea is likely to be successful, using comparisons to existing businesses.

## Learner work

### Section 1:

#### Format/ownership of the business

The format of my business is sole trader. I have chosen this because I want to make all the decisions, no one else can have an input and make any decision in my business. This also means that I am entitled to all profit that the business makes. There is a big negative with this type of business and that is unlimited liability for debts, meaning I can lose everything, including my personal savings as well as business capital, if my business gets into trouble and owes money. This is the same for the other format I thought about which is partnership. I did think it might be good to share responsibility and we could cover for each other and a partner would have to put money in too. I decided I wanted all the responsibility in the end and there may not be much profit to share in the first year. It can be difficult if partners disagree too, I could feel I deserve more profit than the partner because I work harder. It is worth paying a solicitor to draw up a partnership agreement which obviously costs money. Also the agreement must state what happens if one partner dies because unless it is agreed beforehand, the business ends with the death of a partner.

The other type I could have chosen was a limited company, if I set up as a limited company I need at least one other share holder, I have to appoint a company secretary, a second director and an outside accountant to audit the accounts at the end of the year if I end up being a large company. The auditors prepare a report for the shareholders. I have to obey all of the company laws and register the business at companies house with articles and memorandum of association. The main advantage of this type of business is not having to pay the debts from personal savings, but is complicated and legally needs forms, annual meetings and at least two shareholders.

There is also a PLC, public limited company, this is on a big scale where your shares are sold on the stock exchange, you can lose control of the business if you go public because anyone can buy the shares. It has limited liability too, as well as the legal restrictions.

The last one is the social enterprise where the aim is to bring benefit to the local society rather than make profit for the owner. I could do this as I enjoy working to benefit society such as children and old people. The enterprise would pay me a wage instead of me being the owner. I could choose this but really if I am working so hard I want some profit at the end of it.

I chose the sole trader to keep it simple, I will just have to stay out of debt. It will be challenging owning a business on your own as sometimes you need people's views and opinions and situations but I can get these from talking to my customers and also talking to my bank.

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 business converting people's existing bikes to make them electric. Being a limited company would not suit me because I am very small with no investors. If I have customers with a special request, then I can do that myself, because I am small and adaptable I will be more responsive to my customer needs. As a sole trader, I will be available all the time, I can

talk to my customers and find out their needs. I will be able to find out what my customers want and respond quickly to them. I will be able to customise the conversions to suit their needs. These are features of successful businesses.

### **Results of my market research**

I have researched the parts I need to do the bike conversions and have found that buying them separately in bulk make it a lot cheaper. It is possible to buy the kits to include motor, battery, charger, speed detecting sensor, chain wheel, display and cables and nuts for about £400. Buying separately costs about £285. The motors are more expensive for increased power to allow more miles between charges, the best makes retail at from £80 to £200. My research suggest that most people want to travel between 30 and 50 miles on a single charge. I will buy motors in this range, I can always order specially for a customer if they want a different specification, but this will be more expensive as a one off.

This is a complete kit for converting any bike to electric, I will save money by buying the individual items in bulk with a range of different specifications .



This is an example of the tool kit I will need

Close up of a typical display



Different makes of motors available to buy





Section 2:

## The Business

My business is called

**“Electrify your Bike”**



### **Aims and objectives**

My business aims to make profit by the end of the first year, to be well-known for safely and efficiently converting customers personal push bikes to electric bikes and excellent after sales service and not have debt .

Setting aims and objectives is important to a business so they know what direction they are heading in to make the business succeed. If these aren't in place then the business will fail as they won't be organised, not as many people will know about the business also if people see that the business isn't organised not many people would want to return.

My main aim is to cover all my costs from the conversions and make enough profit to be able to survive and grow the business

### **SMART TARGETS**

- To have 2000 enquiries in the first 3 months and 400 test drives of electric bikes
- Have a facebook page and Youtube channel up and running by October 1st
- Have 200 facebook followers and 500 Youtube subscribers within 3 months
- Convert an average of 80 bikes a month in the first year
- Break even and make a small profit in the first year

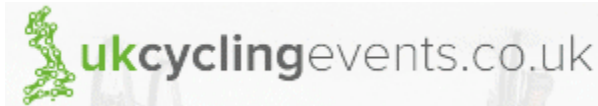
My service is making people's push bikes into electric bikes using motors and batteries. The price I charge depends on the complexity of the conversion. There are different sizes of motors depending on how far the rider want to travel. Also whether the customer wants a screen that can hook up to a smart phone app. affects the price I will charge. Some jobs take longer than others too, I will pay myself the "living wage" at first, when I get quicker at converting I may allow myself more per hour.

I have found suppliers for the motors, batteries, LCD screens and other items such as wires and clips. The tools I would need are shown in the picture, because I am using them for many conversions, I will buy high quality tools that will last. I will be doing the conversions from my garage at home, I will also offer to travel to the customers home within a 50 mile radius. My own bike will easily go 50 miles on a full charge and I always carry a fully charged spare battery. My own bike is a conversion and it is has extra room for my tools and equipment.

I will set up a face book page for my business and a youtube business account. I will use both of these to promote my service. I am a very adventurous cyclist and I will go

to lots of different places on my bike to show how far it is possible to go on an electric bike and how easy it is to ride up hills with the motor assistance. I will also go out for the day with cycling clubs all round Britain and will even take part in various challenges. To promote my business my grandmother is a cyclist who cannot go very far these days, she is a convert to electric bikes and tells everyone. I will use her on my face book and youtube

I have lots of links to cycling clubs and electric bike enthusiasts.



I am taking part in all of the events within 100 miles, organised by UKcycling events



Mini Enduro and Whyte Electric Bike Demo Days



These are relevant events I will attend.

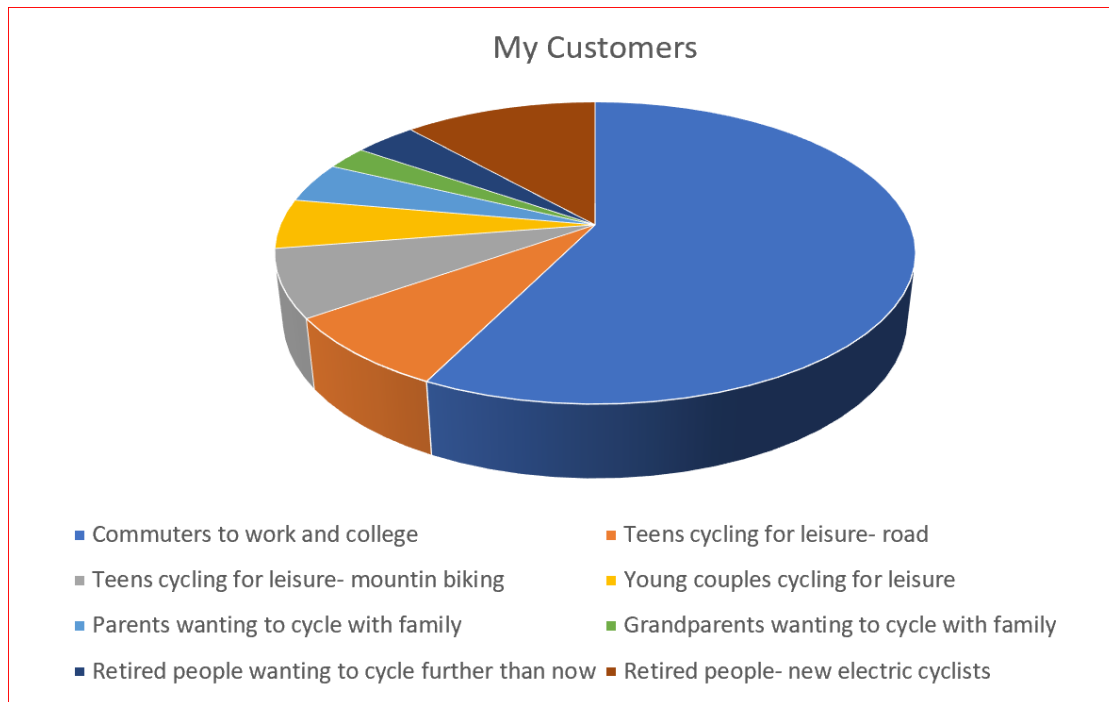
The use of electric bikes is also good for the environment if used to cyle to work and school, particularly in cities where many people live out of town and find rush hour travelling very tiring and stressful. I will join with some of the environmental groups and promote my service to people within 50 miles that care about the environmental impact of driving.

I will have a weekly advert in the local free paper, a one month campaign on local radio and a press release in the two local newspapers.

My customers are people who want to ride without getting tired hot and sweaty, for example commuting to school, college or work. There are also quite a few people who are retired with an active lifestyle that would like to ride bikes again, but are quite nervous because they are not as fit as they used to be. Having the electric motor which can kick in to get up hills, or just to allow a bit of a rest while riding, as well as more distance, is ideal for them.

As my research shows, quite a few people interested in the cycle to work scheme would consider the cheaper option of a bike conversion because they would be less in debt and the equipment would be allowable under the scheme. This means "commuters" would be a target market. They particularly liked the idea of increased distance and being able to arrive without needing a shower when they got there.

There are quite a few younger people who would very much like an electric bike but can't afford one, both to cycle for leisure and offroad cycling like mountain biking.



### Cycle to work Scheme- Market research from my Dad's company

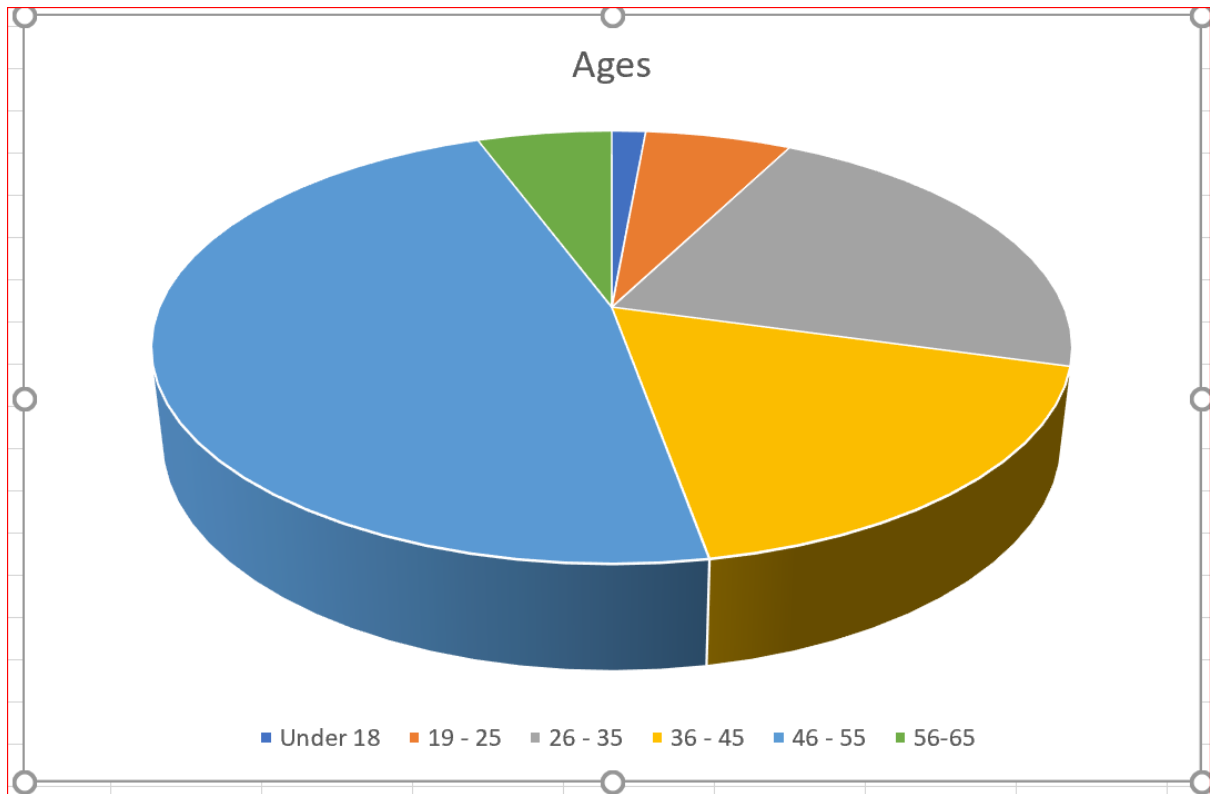
The cycle to work scheme was introduced in 1999 with an aim to encourage people to make healthier and more environmentally friendly lifestyle choices. Employees can spend money on bikes and equipment, tax-free. This can save the cyclist up to 42% of the amount spent on the actual bikes and on bike accessories. Electric bikes are included so my business could benefit from this.

<https://www.cyclingweekly.com/news/latest-news/cycle-to-work-scheme-10-things-to-know-5055#hILx4T6K4VqAVIeA.99>

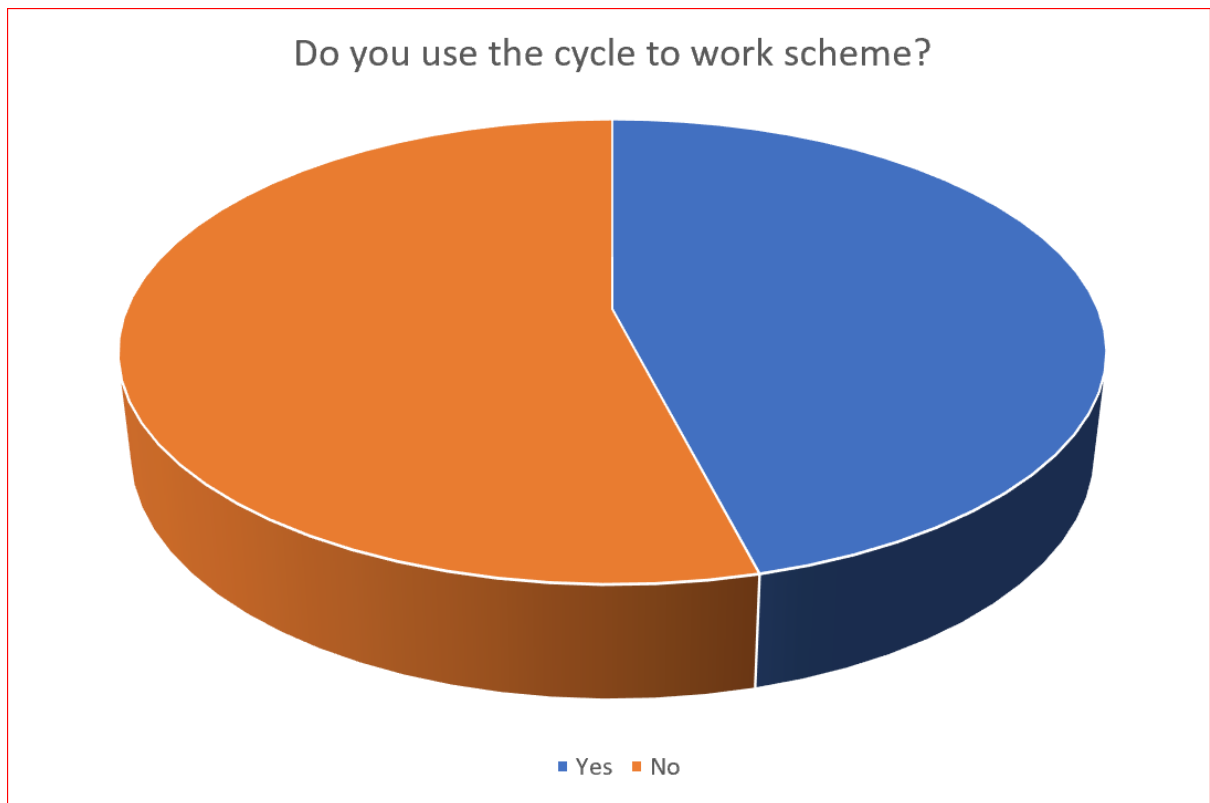
My Dad is the director of a very large company, he was interested in how many employees took advantage of the cycle to work scheme. He also wanted to know why people didn't sign up for it. He gave me the research, and this is my analysis of the results.

Of the 8,400 people who were sent the questionnaire, almost 5,000 filled it in. This is very good and was mainly because they got the chance to win a folding bike.

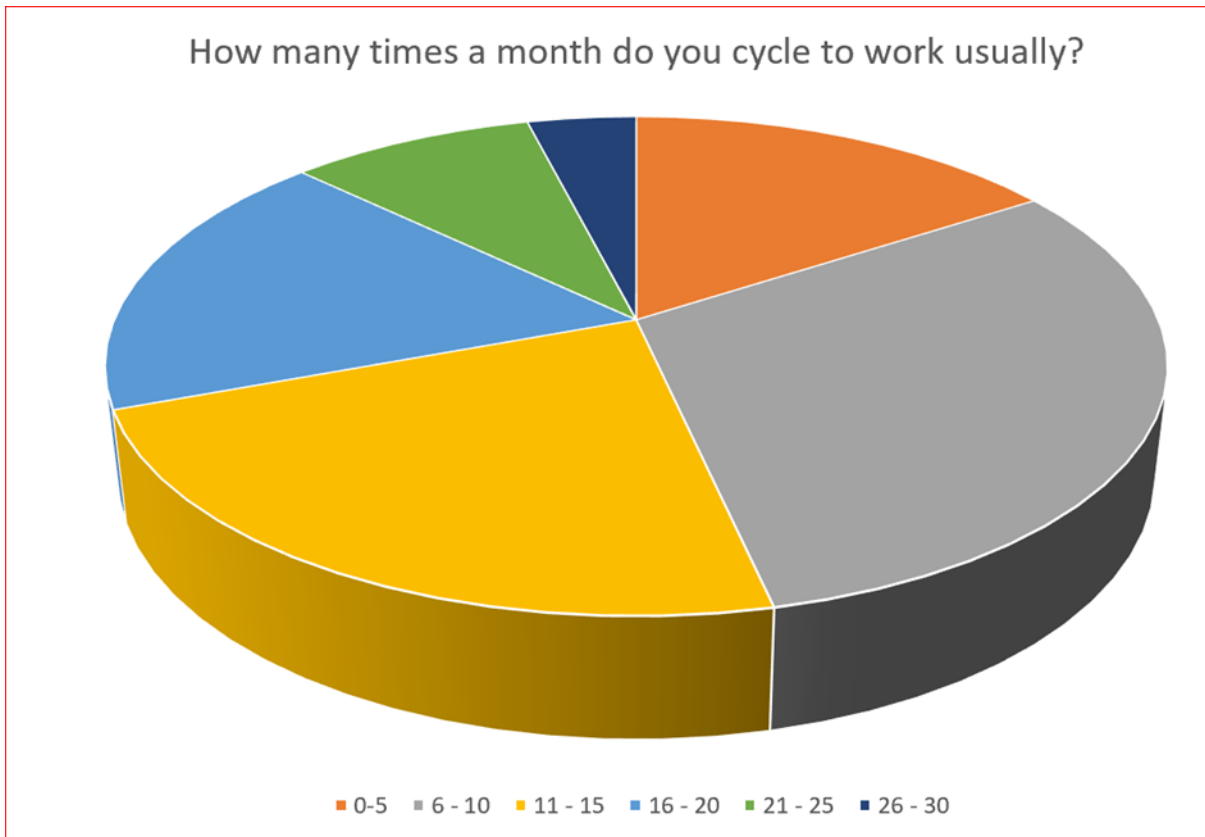
As you can see most people are between 26 to 55 years.



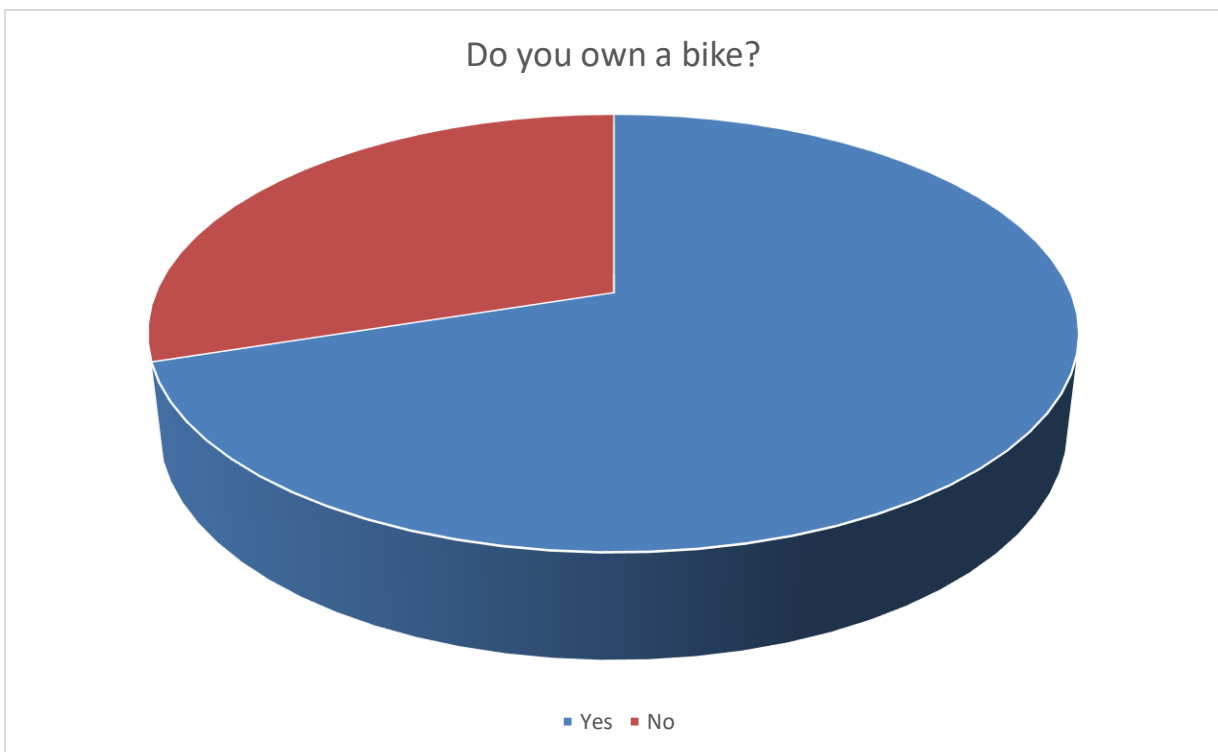
The majority of people who completed the survey didn't use the scheme

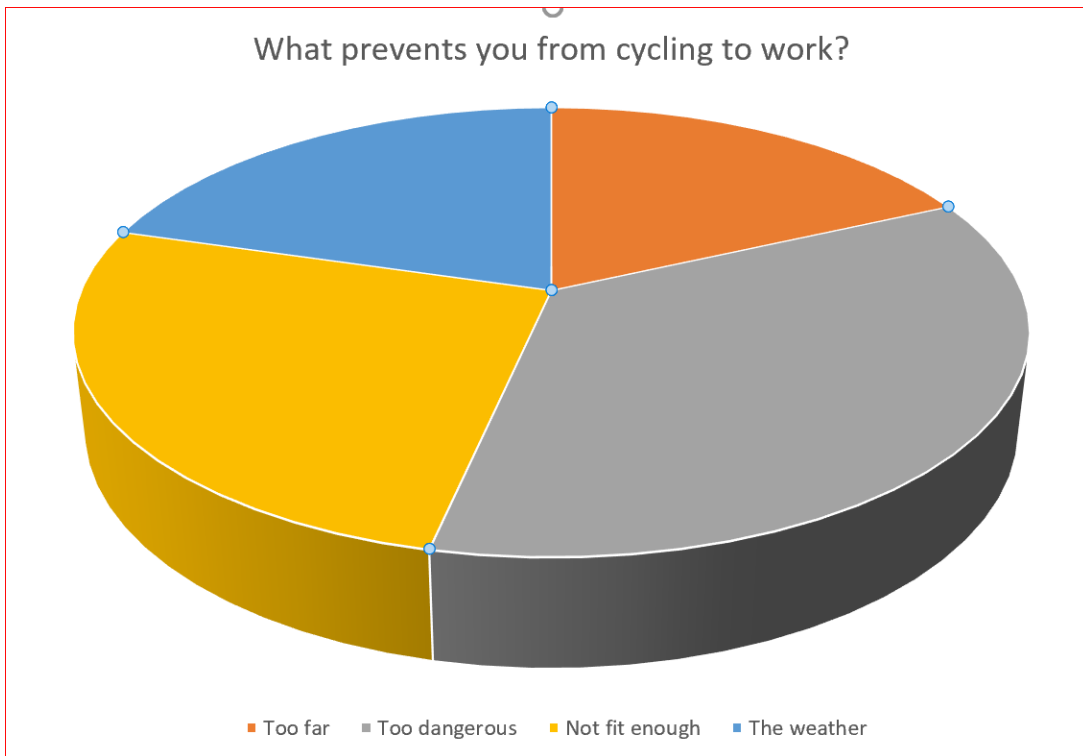


Of the people who cycle to work, the most people cycle to work between 6 and 15 times a month.

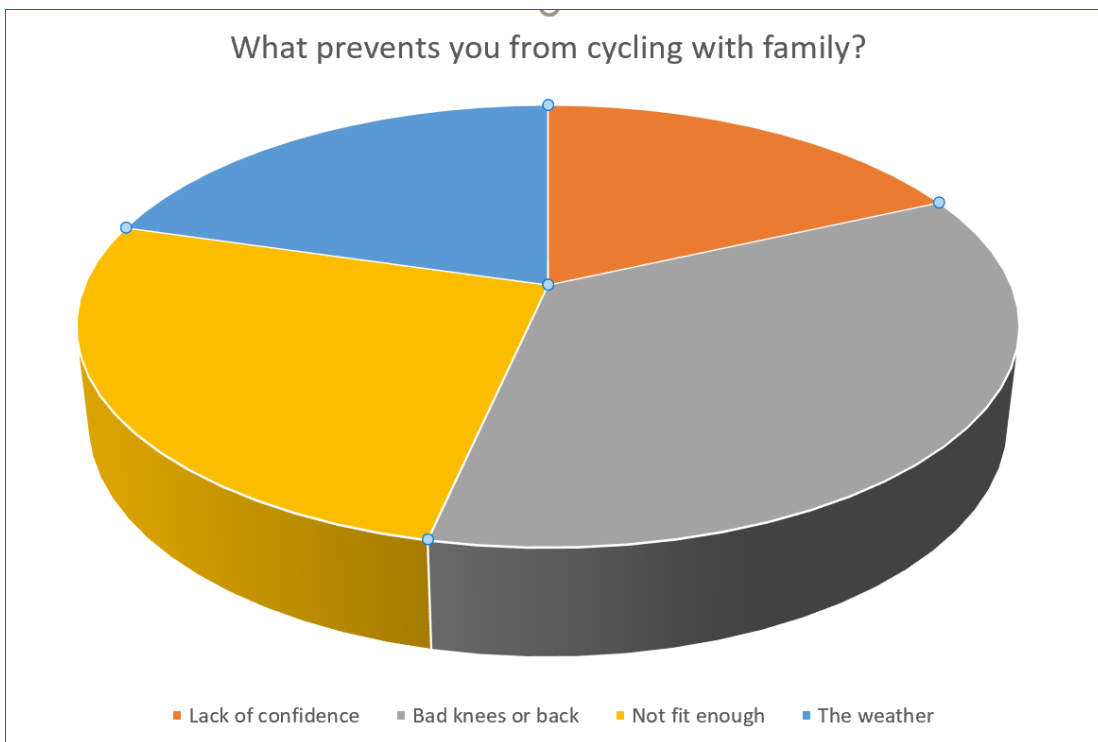


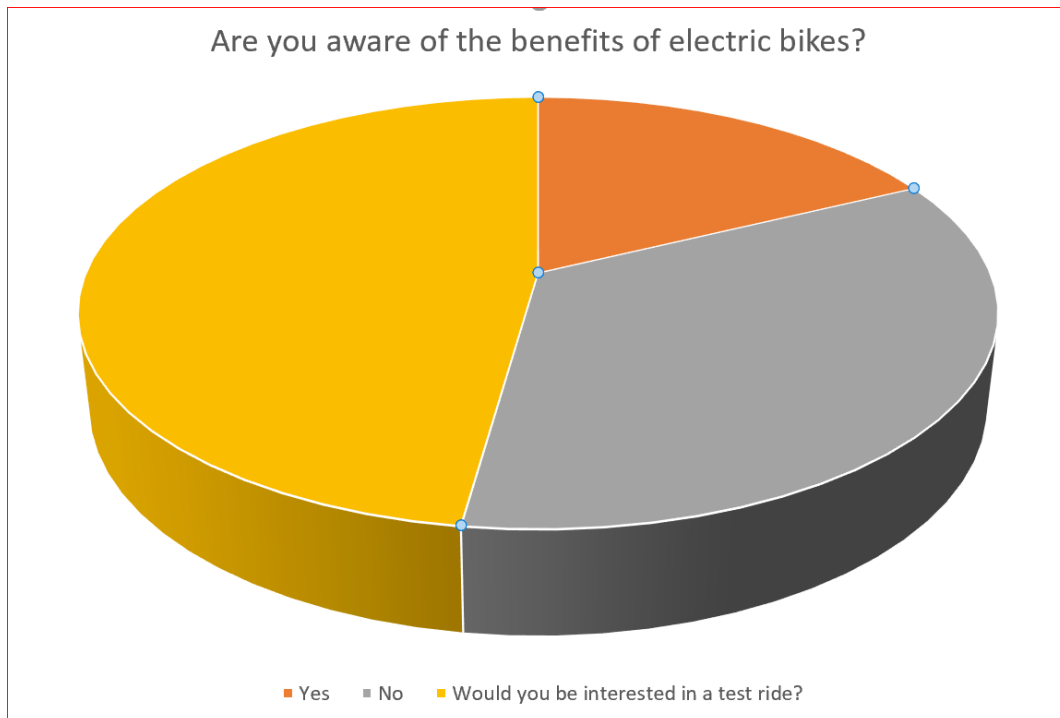
The majority of people in the survey own a bike





I also asked families out at the local country parks and ramblers





Quite a few people I asked are aware of the benefits of electric bikes, encouragingly a large proportion want to test drive one.

### Article from the Guardian newspaper

*An ebike is a bicycle with a battery and electric motor that assists when you're pedalling – up to 15.5mph in the UK. You still get the benefits of pedalling, but your speed gets a boost.*

*Paul Stewart, of UK cycle distributor Moore Large, says: "If you look at our cities and the way that we commute the ebike gives you the opportunity to get around at a reasonable pace – you don't need to get all hot and sweaty, you don't need to pay [car] tax or have a driving licence, because they're classed as bikes.*

*People like ebikes because they make longer commutes easier, you can pedal further in normal clothes without getting sweaty, they give you a boost up hills (it's like someone pushing the bike when you're pedalling). They're also great if you're a little out of shape and want to get active – or if you have knee problems, or are just getting older. A survey by the disabled cycling charity Wheels for Wellbeing found one in five disabled cyclists uses some form of electrical assistance when they cycle.*

*"In Holland, Denmark, and Germany the investment in cycling infrastructure is 10% of the transport budget. Here it is less than 1%; that is the difference, really."*

*According to research based on commuting patterns, widespread ebike use in the UK has the potential to shift more than one in four work trips to cycles – if we also build safe cycle routes. That could clearly have a massive impact on air pollution, congestion and people's health.*

*Staff in specialist ebike shops I've spoken to say many customers aren't switching from normal bikes but from cars, and public transport. They are fed up with traffic jams, and getting wise to the fact ebikes are cheaper, healthier, often quicker – and more fun. People talk about the "ebike smile", and shops are selling them with this in mind –*

focusing less on groupsets and weight and more on what you'll use it for. Full mudguards, a rack and a basket? No problem.

Ebikes save people money, too. An Evans survey of 2,000 commuters estimated that by switching from car, bus, tube or train to ebikes, commuters could save an average of £7,791 over five years.

## UK E-Bike Market Size: 2019



2019 has been the biggest year in history for electric bike sales in the UK.

As well as more awareness around what an electric bike is, plenty of e-bike market growth is predicted thanks to a wider range of electric bike choices, from affordable, entry-level e-bikes all the way up to top-of-the-range e-bikes with longer lasting batteries and performance frames and components.

Halfords

<https://www.halfords.com/blog/ebike-report/>

The UK is well behind the Netherlands in terms of infrastructure and culture, but is slowly but surely making improvements to cities to make cycling more favourable. Whether it's more pressure for dedicated, protected bike lanes in traffic-heavy cities like Manchester, or electric bike hire schemes to match existing bike hire services in the capital, the focus on promoting cycling to replace driving is well underway.

The other big factor for pushing cycling over cars, buses and taxis is heavy pollution. Many of the UK's cities are failing miserably when it comes to attaining acceptable air quality figures, so trading engines for non-polluting e-bike batteries and motors is an attractive proposition not just for decision-makers, but also for commuters who don't want to breathe in excessive exhaust emissions and smog.

### Serious growth in e-bike sales predicted by 2050

10th July 2019 Chris Ogden

"Millions of e-bikes will be sold in the UK each year as improvements to bicycles and better cycling routes make cycling increasingly popular.

These are the findings of the cycling retailer Halfords which has predicted that sales of e-bikes could exceed 1.5 million in ten cities across the UK by 2050. Halfords added that by 2050 new battery technology and lower manufacturing costs could see e-bikes become as common as pedal-powered bikes"



This is an article about predictions by Halfords, they are saying electric bike sales will keep on growing and growing. At the moment they are very expensive to buy, my business will make it much cheaper for people to "electrify" their bikes.

All of this research supports my business being a success, every day more people are discovering how far and with a lot less effort it is possible to travel. I need to use this to my advantage by pressing these advantages in my promotions. I will also be showing people the difference electrifying your bike makes to enjoyment in particular.

### Competitors

My direct competitors are other businesses that offer a conversion service in a 50- 70 mile radius, indirect competitors are small and large bicycle suppliers, both with stores and online electric bike sellers.





Within a 50 mile radius I have no direct competitors but there are kits for people to convert their own bikes to electric. My customers want a trustworthy person to complete the conversion because they don't have the expertise or confidence to do it themselves. There is a start up that is selling a very easy conversion kit called Swytch that just fits into an attachment that is mounted between the handle bars. It retails at between £400 - £1,000 but has not been developed as yet. Other conversion kits are quite complicated to fit and cost about £500 to buy and fit by an online electric bike website. I couldn't find anyone offering to supply and fit customised electric conversions to customer bikes.

Indirect competition is from new electric bikes, these are very expensive but keen customers may decide to buy them if they have the money. I will try to convince customers to try a conversion first.



Latest simple DIY conversion kit launched £400 - £800  
Financial projections for revenue and estimated expenses

## Start-up Costs

Costs of my tools and supplies		£
	36v21ah high capacity downtube HAILONG battery with Samsung 3500mah cell and charger	(50 x £190) = 9500
Electric bike motor 36v, 250w, 290rpm motor		50 x £95 = 4,750
	Sprocket and Display with connectors	100 x 19.99  = 1,999
Badges with Logo 5 x 9.50		47.50
Speed detecting sensor and chain wheel		50 x 16.99 = 849.50
		2 x 17.99  £35.98
	WD40 may be needed if customers have quite old bikes	3 x 8.99  £26.97
Total initial stock of parts etc.		<u>£17208.95</u>
1 bike will cost me $190+95+19.99+16.99 = 321.98$ in Variable cost		
Bills for first 3 months		
Rent in advance 3 x 320		960
Advert in free paper 3 x 364		1,092
Radio campaign 3 x 300		900
Total bills to pay before I start trading		<u>£2,952</u>
Total Start-up costs £17208.95+ £2,952		<b>20160.95</b>

Each bike conversion costs me on average £322 in parts, this includes the motor, battery, screen etc.

Revenue and Costs per month	£
Sales- average of 80 bike conversions 80 x £425	34000.00
Parts 80 x 321.98	25,758.40
Monthly fixed costs is rent £320, advertising £364	684
Break even (contribution 425-322 = 102) 684 /102 = 6.7	7 bikes

According to my financial figures, I only need to convert 7 bikes a month to break even. This is because my fixed costs are so low. It would be a different story if I had to pay a loan, more rent and wages. My revenue is based on 20 bike conversions a week which should be about right. I will normally work 9 till 5 six days a week but can do some evenings and Sundays if necessary.

I already have my own bike which has a carrier to store a spare battery, tools and conversion parts. I will use my mobile phone for contacting customers. I have a good video camera and computer for making youtube films.

I am going to use the garage at my home which is secure and plenty big enough. My parents are lending me the money to start off and the business will pay them rent for use of the garage. They will also get a share of the profit when I start making some. My parents will have to let the local council know that I am running my business from home.

For my start up costs and payments for the first three months would be £20160.95, as this is approximate I will be borrowing £25,000 from my Dad. I will pay him rent for using the garage and when I make a profit I will pay some of the loan back.

#### Revenue

My sales will come from interest from my radio campaign, advertisement in the free local paper and from my facebook and youtube antics. Videos of my adventures creates followers and customers. Sales will be to people who want a cheap way of experiencing the benefits of riding an electric bike through mt business- "[Electrifying your Bike](#)". The pie chart below shows my prediction of the percenatges of possible customers. The number of people who could be potential customers I estimate to be about 12000. Sales will be seasonal because less people will want to cycle when the whether is bad. Christmas will be a time to try and gain customers converting bikes to give as Christmas presents.

#### Sources of help and support

My parents are giving me financial support by lending me £25,000, it is a loan which I will pay back in annual instalments as soon as my business starts to make profit. We did look at a business start up loan form the bank but the interest rate was very high and they insisted on my parents guarranteeing the money. Because they believe in me and in my business idea too, they decided to do a straight loan. My Dad is as excited as me and has found me five customers already.

I have also looked at the Enterprise allowance and the Princes Trust for financial help and advice from my local growth hub.

The Enterprise allowance is for people on benefits and you apply through the job centre. This is no good for me, whereas the Princes Trust helps with writing the business plan, getting funding and marketing. It involves a four day workshop and an appointed

mentor to help. The local Chamber of commerce also help by putting businesses in touch with each other and do organise business start-up events.

#### Human resources

I will be the one answering the phone and doing the bike conversions to start off with, if I get really busy I will employ my mum to answer the phone and my brother will help out at the weekends with doing the conversions, once I train him. If he proves unreliable I will have to employ someone else. Pay will be at the "living wage" per hour (currently £9.00) as I want my employee to be loyal, it will help if my assistant is an electric bike enthusiast. I will only employ them part time so that I don't have to bother with income tax and national insurance.

#### Branding

I have designed a simple logo and name for my business, the colouring helps to signify electricity and the battery symbol in the bike shows what my service is. I think "Electrify your Bike" is a good logo and strap line that I will use in all my promotions, it will be printed on stationery and I will buy 5 badges that can be stitched on to T shirts, Jumpers and jackets.



This will cost me £9.50 for each badge.



The logo will be in the middle with Electrify you Bike round the outside where it says "text here"

#### Customer service

Customer service is very important to my business, I will make sure I always return calls straight away, I am approachable and friendly when dealing with customers and have excellent knowledge of all of the available batteries, motors and parts so that I can tailor my conversion to the needs of the customer. I will also provide excellent after sales service and knowledge about cycle routes and events for customers.

Channel is different ways in how the customer will buy your products.

Telephone orders- customers can ring up and book an appointment to discuss their order and ask for help/advice or they can ring up and place an order if they know exactly what they want.

Customers will come to the premises/garage in person or order by telephone. In the future I hope to set up a simple web site or I could use my facebook page where customers could go straight online and order. They can either design their own conversion or use one of the conversions I offer

#### The stakeholders and their influence

In my business there will be different stakeholders and each one of them will all have a different influence. Suppliers and customers are the most important stakeholders that could affect the success of my business.

Suppliers are important because I need them to be reliable and supply me with good quality parts for the bike conversions. I am offering a guarantee and expect the same from the suppliers. If any of the parts are faulty or not as described it will affect the trust of my customers. It will also cost me in time spent sending parts back and replacing them for customers. I am hoping they will see me as a valued customer and want to keep me happy as a new business that will continue to buy from them into the future.

Customers are the ones I need to keep happy, they will "spread the word" about how good my service is and will become followers of mine on face book and youtube because I will have a "tips" section on how to look after your bike with dos and don'ts as well as a section for bike trails and events. My videos will show me doing conversions and the happy customers cycling. A section will be for customers to show their own videos on my converted bikes.

Investors are stakeholders too, in this case my parents are the only investors, they trust me and have a vested interest in me succeeding. In the future, I may need finance from other sources, there will be interest payment that I will have to pay without fail.

I'm hoping the local community will be supportive of my business because it is good for the environment, won't cause any mess and will encourage more people to cycle rather than use cars.

Legal aspects that need to be considered

The legal aspects that need to be considered for my business are Public liability insurance-Insurance which covers injury or death to anyone and Health and safety-regulations and procedures to prevent accident or injury in workplaces.

Conclusion

My other idea for a start up that could have worked was a pop up cinema social enterprise for the residents of our three villages. I was considering hiring the village hall to show films, sing along Mama Mia, romantic films for ladies and children's films for the youngsters. I did some market research and found that quite a few people would attend but nobody was really committed enough to ensure it would be supported.

After research into electric bike conversions and advice from various people, I decided that bike conversions was the better option.

How my business will meet market demand

Primary and secondary research highlights the huge increase in demand for electric bikes, prices range from over £4,000 for top of the range electric bikes to about £500 for one with less range and lower battery power.

My business will fill a gap in the market because converting customers bikes to electric is a lot cheaper than buying a new electric bike and there are no people offering this service in my area. There are similar services where customers can order a conversion kit from the internet, but nobody who will convert existing bikes within 50 miles of me.

The one issue I may have that will affect my success is trust, if nobody knows me or my business, they won't know if they can trust me to do a good job.

My Dad has found me five customers that want their existing bikes converting to electric. They are willing to have the video of the process put on face book and youtube. This is pressure for me to "get it right" first time. These customers are going to give me positive reviews if everything goes well and "share" their experiences. Three of them work in offices and are banking on my conversion allowing them to cycle further without arriving out of breath and sweaty, the other two are retired and will be over the moon if they can take up cycling again. I have given all five of them a free helmet camera in return for them allowing me to use their videos.

### SWOT Analysis

Strengths	Weakness
Customers can have their conversions customised to order Customers can ring up and discuss their requirements and get advice Support from my parents, no immediate finance costs 5 customers already who will video their experience and should be a good advert	Difficult to judge actual demand Sales will be seasonal
Opportunities	Threats
Clear evidence of demand for electric bikes No direct competitors in the area Many people interested in electric bikes but the high cost of buying them puts them off	Competition from internet do it yourself kits I am unknown so may not be trusted Inexperience in running a business Profit margins may be lower than I thought

### Suitability of my format and model

Because I am small and simple, a simple format is most suitable for me, this is why I will be a sole trader. Hopefully there will be no way I will get into debt because I am not going to order thousands of pounds of supplies, I will pay rent to my parents each month which includes electricity. I have enough capital to cover short term cash flow issues so I won't need an overdraft, this means I will not get into debt so the unlimited liability won't impact on me. If the worst happens my parents will help me through hard times because they believe in me and in my business.

I am prepared to work hard, I am experienced in working with bikes and have completed quite a few conversions already, so I know what I am doing and will be able to work quickly. I haven't allowed money for security because my parents already have a burglar alarm and secure locks on the garage.

It was a bonus being able to get hold of the research done on the cycle to work scheme at my Dads work. This supported my view that commuters are my biggest group of customers. The majority want to cycle to work because they want to keep fit and reduce their carbon footprint, but don't want to arrive at work

How the business will respond successfully to market needs and be successful in relation to existing local businesses

My business has a USP, which is customised electric conversions to customers own bikes rather buying new bikes. New electric bikes are very expensive ranging from £500 to £4000 pounds.

Altogether my Business will succeed in relation to other businesses because mine has been well planned, I have completed relevant market research to identify who my customers are and what they want, I will concentrate on gaining trust and the quality of my products because that is what customers want. I have the USP of being the only business providing electric bike conversions in a 50 mile radius. The marketing of my business should be effective to gain more customers through social media and so be successful by demonstrating the benefits.

Because I have identified the market segments that will be interested, I can target my promotions at them. The bikes I will use for people to test drive are programmable and trackable and I will choose the route, in this way if I happen to get someone dishonest they won't be able to steal the bike.

My radio campaign will be targeted at the different segments, on the way to work time, and lunch time for the commuters for example. I will be very active on social media with videos of events I attend and test drives by new customers and reviews by happy customers, particularly my first five who I have given helmet cameras too. I will also be available for advice and customer questions and my work will be guaranteed.

I consider trust to be one of the main issues that will affect my sales, if I make a success of the first five conversions, they will help to generate more sales. "Likes" on facebook will be used to get a small discount, this helps spread the word about my business. I am going to be very busy editing videos, attending events and doing an average of six conversions a day. I expect this to be a bit less in the winter, apart from for Christmas presents, and perhaps more in the spring and summer.

## Learner Assessment Submission and Declaration

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

<b>Learner name:</b> Ivan Petrov		<b>Assessor name:</b> Sureka Atwall	
<b>Date issued:</b> April 27th	<b>Completion date:</b> May 10th	<b>Submitted on:</b> May 10th	
<b>Qualification:</b> BTEC First Award			
<b>Assessment reference and title:</b> 3. My final plan			

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:  <i>This took hours and quite a few revisions to get it right.</i>		

### 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:** *I Petrov*

**Date:** May 10th



ASSESSMENT RECORD SHEET				
<b>Programme</b>	BTEC First Award		<b>Learner name</b>	Ivan Petrov
<b>Assignment title</b>	My final plan		<b>Assessor name</b>	Sureka Atwall
<b>Unit no. &amp; title</b>	Unit 3: Enterprise in the Business World		<b>Targeted assessment criteria</b>	2C.D3, 2C.M5, 2C.P5, 2C.P6
<b>Issue date</b>	April 27th		<b>Submission deadline</b>	May 10th
<b>First submission / resubmission?*</b>	First		<b>Date submitted</b>	May 10th
<b>Resubmission authorisation</b> by Lead Internal Verifier*	n.a.		<b>Date</b>	n.a.
<b>Targeted criteria</b>	<b>Criteria achieved?</b> (Yes / No)	<b>Assessment comments</b>		
2C.D3	Yes	Well done your business model is realistic and you have explained how the format and supporting evidence justifies your business idea.		
2C.M5	Yes	Good work for the merit explaining how the format and business model should enable you to carry out your business activities successfully.		
2C.P5	Yes	Good explanation of the reasons for the choice of format selected for your business start-up.		
2C.P6	Yes	The business model you have submitted for your business start-up is realistic and backed up by research.		

<b>General comments</b>			
Some excellent work here, well done!			
<b>Assessor declaration</b>	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.		
<b>Assessor signature</b>	<i>Sureka Atwall</i>	<b>Date</b>	May 19th
<b>Learner comments</b>	I think I deserved this Distinction, thank you		
<b>Learner signature</b>	<i>I Petrov</i>	<b>Date</b>	May 19th