**Risks, Opportunities and Trends in the Business Environment**

**Complete this worksheet in preparation for the Distinction task of Unit 3, AB1.**

In the final part of this assignment, you must: ‘*assess the current risks, opportunities and trends in the business environment for a start-up business. This should go beyond expressing a hunch or an opinion but rather should draw upon relevant data or balance one argument with the opposing argument before coming to a decision.’*

1. In the table below, identify whether the statement is a potential risk, opportunity or trend that could impact your start-up business. Could some statements in the table have both positive and negative outcomes? If there is no impact to your particular business, highlight in grey.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Local population grows | Inflation rates reduce | Increased use of websites by businesses | A number of large businesses and local employers leave area | Competitor business involved in fraud case |
| UK agrees to new free trade deals with other countries | Sugar tax increased | Newly elected government increases VAT | Life expectancy increases | Housing development in local area |
| More people in education longer | Minimum wage increases | Increased use of fair trade products | Increase in vegetarianism | New diesel vehicles are no longer permitted after 2030 |
| Robots take over jobs where people were once needed | Birth rate decreases | Large local car park to your business closes | The value of the £ increases. Stronger £ | Very poor customer review/experience goes viral |
| Employment levels fall | New infrastructure development (roads, rail) in local area | Import tariffs increased | More people choosing to make purchases online | Single use plastics banned |
| Brexit leads to foreign workers returning to home countries | National insurance contributions increase | Country enters a recession | A greater number of people wok from home | Corporation tax is decreased |
| A competitor opens up a store/branch on the same street | Interest rates reduce | Global pandemic and lockdown required | Government increases the number of business grants and loans available | Increased use of social media |

1. What are the possible positive and negative impacts of the increased use of social media on your business?
2. Explain three risks that could impact your business.
3. What could you do to mitigate this risk?
4. Explain three opportunities that could impact your business.
5. What could you do in your business to exploit these opportunities?
6. What two trends could impact your business?
7. How could your business use these trends to its advantage?
8. Which changes in the current business environment (risk/opps/trend) could have the biggest impact on your business? What research can you find that strengthens your argument? Which has the least impact and why?