**Basic functions and types of business** 



Department Year 9 Long Term Overview Subject: Business Studi	es	
	Theme: Business in the Real World	
Overview:		
This Theme concentrates on purpose of business and reasons for starting a business. It introdustiness to help students deepen their understanding of business organisations while at investigative and analytical skills using business case studies and industry reports		
Outline of Key Learning	Weekly Content breakdown	
Analyse the key business concepts, issues and skills involved in starting and running a small business	Week 1:	
<b>Debate</b> Students debate and discuss issues involved in spotting a business opportunity.	Business types – show pictures of a variety of businesses – students to explain what the purpose of each business is.	
Research Students use different resources, including Internet research, to look at what businesses do. For example, they discuss what different businesses produce using photographs of local businesses investigate & Analyse		
Students investigate a local small business.	Week 2:	
What is a business – <u>BBC Bitesize video</u>	Introduction and overview to small	
Why start a business – <u>BBC Bitesize article</u>	businesses - How and why small businesses are created? - Overview of key features of small	
Reasons for starting a business will overlap with entrepreneur's objectives.		
Factors of production - Picture of PS4 – what resources have been used to create the product?  What resources go into making hot dogs?  For reference – factors of production	businesses and recognition that small businesses operate in all economic and geographical areas.	
For reference – <u>lactors of production</u>	Week 3:	



Opportunity Cost: Images of takeaway/delivery options (pizza, Chinese food etc), students to explain which they would choose and why.

Students to create a simple budget of money earned and money spent over the last month to realise that they have a choice to make when spending money.

Explain the opportunity cost of time – the benefits of school work or playing computer games.

Video showing a specialist in a particular area – explain the opportunity cost of their time to get to this level – Rubik's cube world record video

Choice of investments on Dragons' Den

#### The three sectors:

<u>Primary, secondary and tertiary sectors – explain the three sectors.</u> Students to generate examples of businesses in each section or sorting activity putting examples under the correct heading.

Explain a simple chain of production – a tree being cut down, wood made into a chair, a chair being sold in a retailer.

Students to draw their own examples of a chain of production.

### Nestlé case study

Pictures of famous entrepreneurs – students to guess names.

Clip from Peter Jones meets the Constantines and Chris Dawson

Dragons' Den video or article about successful entrepreneurs.

Research task – students to research a famous entrepreneur – what is their business, how did they start etc.

### **Environmental factors**

<u>Dragons' Den video</u> – why is there an increasing number of environmentally friendly businesses?

Guardian article on 5p plastic bag charge

To understand the difference between goods, services, needs and wants.

### Week 4:

To understand the meaning of factors of production

### Week 5:

To define opportunity cost Week 6:

To define the three sectors of primary, secondary and tertiary and give examples of types of businesses that operate in each sector.

### Weeks 7 & 8

Business and enterprise To understand the term enterprise and what is meant by an entrepreneur

Why new business ideas come about:

- Changes in technology, economic situation, legislation and environmental expectations.
- Changes in what consumers want.
- Products and services becoming obsolete.
- How new business ideas come about:
  - Original ideas
  - Adapting existing products/services/ideas



### Changing technology

A <u>picture</u> of Just Eat's delivery robots – students to guess what the robot does.

BBC article on 3D printers

Research – students to identify an example of how changing technology has impacted businesses.

Polaroid case study – example of the impacts of changing technology.

### **Report Writing**

Students to produce a report explaining the nature of business, its resources, its customers, and evaluating why it might be successful. Collate class results and create a display of the local business environment.

### **Business Objectives**

Students to brainstorm the main aims of the school.

Teacher input on the difference between aims and objectives.

Students to write themselves an aim and an objective for studying GCSE Business Studies.

Reference - Tutor2u - aims and objectives of a Business GCSE

What does this suggest are Apple's main objectives? <u>iPhone sales</u> Summary spider diagram on reasons for setting objectives.

### **Changing Objectives**

Students given three businesses – a local business, a national business and an international business. What would be the main two objectives that each business would set?

Smaller business may focus more on survival – Guardian article on the high street

How might Starbucks's objectives change over time? video - Starbucks wakes up to China

Do larger businesses have more ethical and environmental considerations? <u>Sky's environment</u> webpage

Characteristics of an entrepreneur include being hard working, innovative, organised and willing to take a risk.

o objectives of an entrepreneur.

## Week 9 DIRT = Assessment & Feedback

### Weeks 10 & 11: Business Ownership

- To understand what is meant by a sole trader and the benefits and drawbacks of this legal structure.
- To understand what is meant by a partnership and the benefits and drawbacks of this legal structure
- To understand what is meant by a private limited company and the benefits and drawbacks of this legal structure.
- To understand the concept of limited liability and which businesses benefit from this
- To understand what is meant by a public limited company and the benefits and drawbacks of this legal structure.
- To understand what is meant by a not-for-profit organisation



Why are businesses concerned with shareholder value? Yahoo's finance webpage

Established businesses focus on new product development to establish dominance in the market – <u>BBC article on Playstation VR competition</u>. Is it always successful?

### Use of objectives in judging success

What were the main objectives for this business? Dragons' Den clip on Youdoodoll

Did the business achieve these objectives? Telegraph article on Youdoodoll

What other methods can be used to measure success? video on ethical buying featuring Lush

Students create a spider diagram of how businesses may judge success.

and the benefits and drawbacks of this legal structure

 To evaluate which legal structure would be the most appropriate for a variety of business examples

# Week 12: What are business aims and objectives?

The main aims and objectives for businesses include survival, profit maximisation, growth (domestic and international), market share, customer satisfaction, social and ethical objectives and shareholder value.

- Purpose of setting objectives
- Role of objectives in running a business

# Week 13: Changing Objectives and Use of objectives in judging success

- To understand how and why the objectives set will differ between businesses.
- To understand how and why the objectives set may change as businesses evolve.

### Week 14:

DIRT = Assessment & Feedback



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### **Outline of Key Learning**

Starter – Students to guess what this product is for – image of an ostrich pillow

Students discuss which groups/individuals would be interested in the success of the ostrich pillow and its new department store contract

Teacher led definition of a stakeholder.

Students create a spider diagram of the main stakeholders of a local business.

Video clip – objectives of stakeholders

Pair work – for each stakeholder, pairs decide on the main objective that the stakeholder desires. You may want to show a range of pictures to help students understand the main objectives, for example <u>strike action</u> and <u>growth of money</u> etc.

### **Stakeholders**

Tesco Superpower Money programme

Students to identify the main impacts that Tesco's actions have had on their stakeholders, eg consumers – lack of choice, competition – forced out of the market.

Recap over material covered under stakeholders and introduction to conflicts –  $\underline{\sf BBC\ Bitesize}$   $\underline{\sf video}$ 

How do the media play a role in influencing businesses? BBC article on Nestlé child labour

What has the government done to try to restrict the issue of sugar in fizzy drinks? Newsnight video and BBC article

How does the Coca-Cola case study show a conflict in objectives?

Link back to the Tesco video from last lesson – how do the problems identified in the video show conflicts in objectives?

### **Weekly Content breakdown**

### Weeks 1 & 2

Main stakeholders of businesses

- To understand what is meant by a stakeholder and who the main stakeholders of a business are.
- To understand the main objectives of stakeholders

### Objectives of stakeholders

Stakeholders of a business including owners, employees, customers, local community and suppliers.

Main objectives including maximising pay for workers, minimising environmental impact on local community and high dividend payments for owners.

### Impact of business activity on stakeholders

To understand the impact that business activity and decisions have on stakeholders.

Impact and influence stakeholders have on businesses



Students to identify one clear conflict (eg shareholder objectives vs local community or customer objectives).

Stakeholder conflicts - Shell

Complete question 3c) 4 marks Paper 2 June 2013.

### Location

Choose a local business – Students decide on the main benefits of locating where they have.

BBC Bitesize webpage on the importance of location

Students to consider where they would buy a house/flat – what features would they look for in their ideal location?

Students to create a spider diagram for the main factors that influence the location decision of a business.

Complete question 1c) 6 marks Paper 1 June 2014 or 1b) 4 marks Paper 2 June 2015.

Research/computer activity – students plot on a local map where they would locate a variety of businesses. Businesses could include a cinema, a theme park, a designer clothes shop, a luxury hotel, a specialist sports shop, an eBay shop and a car factory.

Students should write a paragraph justifying their location decision for each business explaining clearly why they have chosen the location and any issues that they face.

Complete question 3c) 9 marks Paper 1 June 2015 or 3c) 9 marks June 2013.

Show figures for average labour costs around the world

Show figures for <u>fastest growing economies and markets</u>

Students list the main advantages of international location.

Read <u>article</u> about Primark in Bangladesh.

Language issues – product names that mean unfortunate things in other languages

Students list the main disadvantages of international location.

To understand the impact and influence stakeholders have on businesses and their objectives.

To understand how businesses may face conflict between stakeholders

### Weeks 3 and 4: Factors influencing the location decision of a business

- To understand what is meant by location.
- To understand the factors that influence the location decision of a business.
- To evaluate the appropriate location for a variety of businesses.
- To understand why some businesses, decide to locate in other countries.

### Weeks 5, 6 & 7: Basic financial terms

- To understand the difference between variable costs, fixed costs and total costs.
- To understand the concept of revenue, costs, profit and loss
- Students complete worksheets testing simple revenue, costs, and profit or loss calculations.
- Use of the old specification unit 1 papers – for example question 1ci) May 2015.



Student task – you are the production director of Cadbury. You have been asked to produce a report summarising whether Cadbury should focus increasing the size of its current factories in Bournville or move all production facilities abroad to Ghana.

### Can Ikea succeed in India?

Students complete a 9 mark exam question 2d June 2012 unit 2 paper

### **Business Plans**

Students plan what they intend doing at the weekend – why is it helpful for them to make a plan? (organise time, ensure they have the right resources to fulfill ideas etc.)

Prince's trust – business plans

BBC Bitesize video on raising finance

Strategy theory

Slideshow for business planning

Pair work – Use this <u>resource</u> to create a simple business plan. The plan should be based around a product design generated by the students. Although there is no requirement to write a business plan for the exam, this is a good activity to help students identify and understand the different components of a business plan.

Using the plan generated last lesson students to brainstorm the main benefits and drawbacks to a business of creating business plans.

#### **Basic Financial Terms**

Students to list 10 costs a local restaurant would have to pay.

<u>Slideshow on the difference between fixed and variable costs</u> (Students do not need to learn about semi-variable costs.)

Students to label each of their costs from the activity earlier, highlighting which are variable and which are fixed.

BBC Bitesize video on costs of a business

### DIRT = Assessment & Feedback

### Weeks 8 and 9: Methods of Expansion

- To understand the methods used by businesses when expanding.
- To discuss the advantages and disadvantages of each method of growth.

Methods used by businesses when expanding include organic growth through franchising, opening new stores and expanding through e-commerce, outsourcing and external growth through mergers and takeovers.

# Weeks 10, 11&12(a): Benefits and drawbacks of expansion

- To understand the benefits of growth in terms of unit cost advantages due to economies of scale.
- To understand that, with growth, businesses increase the risk of diseconomies of scale.
- To calculate and interpret average unit costs.

Week 12(b): DIRT



Recap quiz - fixed or variable?

Teacher led notes on revenues and profit and the calculations required.

Reference - BBC Bitesize webpage on revenue, cost and profit

### **Methods of Expansion**

### Lesson 1

Focus on internal growth through opening new stores and e-commerce.

Reference - BBC Bitesize webpage - benefits of a growing business

Starter – show images of two businesses (eg a local café and a global business like Starbucks). Students to explain why the local café would want to expand. <u>Guardian article - the first Starbucks</u>

What are the benefits for Subway opening new stores?

E-commerce – why have Amazon been so successful? Short video on growth of Amazon

### Lesson 2

Focus on franchising.

Starter - show video advertising Shakeaway franchise

Show images of businesses that are franchised (eg McDonalds, Krispy Kreme, Starbucks etc.). Include one business which is not a franchise – students to guess odd one out. Discussion about the importance to businesses of not being able to identify whether stores are franchised.

'Could you be a franchisee' activity

Franchises word search

Students to create a spider diagram of the benefits and drawbacks of franchising from this video

Students create a table for the main benefits and drawbacks of organic growth

Complete question 1d) 9 marks Paper 2 June 2016.



### Lesson 3

Focus on outsourcing and external growth.

Introduction to outsourcing

Complete question 1c) 6 marks Paper 2 June 2013.

### Lesson 4

Teacher led definitions on external growth, takeovers and mergers.

Students to research a recent takeover or merger in the UK – students to consider the likely benefits of the business concerned, the disadvantages they may face and the potential impacts it will have on the workers and customers.

Students to feedback their examples to the class.

For example, Kraft takeover of Cadbury

Video on Kraft/Cadbury: one year on

Telegraph article on Cadbury losing its magic

Huffington Post article on investigation into Kraft takeover of Cadbury

Merger video between Dixons and Carphone Warehouse – what are the benefits of this merger?

Complete question 2d) 9 marks Paper 2 June 2014.

### **Benefits & Drawbacks of Expansion**

Starter – what benefits would Lego receive from increasing their production facilities? Reuters article on reviving growth of Lego sales

Teacher led notes on the meaning of economies of scale.

<u>BMW automation video</u> – highlights benefits of technical economies of scale.

Complete question 3b) 5 marks Paper 2 June 2014



<u>4OD Undercover boss - Hyundai</u> – lots of good material 1–11 mins illustrates inefficiencies in a car warehouse area. Later sections (23–30 mins) show lack of motivation in a garage.

Link video to diseconomies of scale – encourage students to generate solutions to the problems highlighted in the video.

Complete question 2b) 4 marks Paper 2 June 2014.

Teacher led introduction to formula for average unit costs.

Calculation questions testing student understanding.

### **Summer Term 2021**

<b>Outline</b>	of Kev	Learning
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Teacher led explanation of an organisational structure.

Reference – BBC Bitesize webpage on structuring a business

Students draw an organisational chart for the school – outline what responsibilities members of staff have.

Provide a list of jobs roles for students – students to create a simple organisational structure – the Engin Ear Ltd Organisation Chart can be used as an example.

Using their organisational chart, students should explain and label what is meant by span of control, chain of command, delayering and delegation.

Tesco employ 476,000 employees – why would Tesco need to have a clear organisational structure?

Students create a spider diagram of the main benefits of having an organisational structure.

Complete question 1b) 4 marks Paper 2 June 2016.

Show <u>Undercover boss DHL</u> – show clip in the plane loading area (around 22 mins into the programme) or with the delivery van (around 10.30 mins into the programme). Both clips

### Weekly Content breakdown

### Weeks 1 & 2: Organisational structures

- To understand internal organisational structures, span of control, chain of command, delayering and delegation.
- To understand why businesses, have internal organisational structures.

Reasons for having internal organisational structures include an understanding of different job roles and responsibilities throughout the business.

Weeks 3 & 4: Appropriateness of organisational structures



illustrate situations whereby the business has expanded and the manager isn't aware of what happens with workers loading planes/doing deliveries. Link the clips to issues of having the incorrect organisational structure.

Students to generate two strategies to resolve the problems identified in the video clips.

Split students into pairs. One student draws a tall organisational structure and explains the benefits, the other student does the same for a flat organisational structure.

Reference – BBC Bitesize webpage on types of organisation

Students to play Chinese whispers to illustrate the issues faced by the organisation from having a tall organisational structure.

Show <u>Undercover Boss Best Western</u> – show clip about a handyman in a hotel (around 14 mins into the programme). The video clip illustrates the issues of having a wide span of control and thus a lack of control.

Teacher led explanation on how organisational structures impact communication. Students generate ideas for the best methods of communication for the different organisational structures.

### **Centralisation Decentralisation**

Starter – why did B&Q struggle to succeed in China? – link to differences in cultures etc.

Use the case study of a growing business like <u>Sprinkles</u> – what difficulties will the managers of Sprinkles face as they open more stores across the UK?

Students to create a table including the definitions, benefits and drawbacks of centralisation and decentralisation.

Reference – <u>Tutor2u webpage on centralisation</u>

Complete question 2c) 4 marks Paper 2 June 2013 or question 3c) 6 marks Paper 2 June 2015.

### The Need for Recruitment

Starter – show a clip or <u>an advert</u> for The Apprentice – why does Alan Sugar want to recruit the best workers?

- To understand the impact that having a tall or flat organisational structure has on how a business is managed.
- To understand how an organisational structure may affect the different ways of communication

### Week 5 & 6: Centralisation and decentralisation

- To understand what is meant by centralisation and decentralisation.
- To understand the benefits and drawbacks of centralisation and decentralisation for business performance.

# Weeks 7 & 8: The need for recruitment & methods of recruitment & Contracts of Employment

- To understand the difference between internal and external recruitment.
- To understand the benefits and drawbacks of internal and external recruitment.
- To outline the main stages in the recruitment and selection process.
- To understand the difference between part time and full-time contracts, job share and zero-hour contracts.
- To understand the benefits of full and part time employment.

Main stages in the recruitment and selection



Teacher led notes on the reasons businesses need to recruit staff, for example fill a vacancy, expansion etc.

Students create a mind map of methods businesses use to recruit their employees – job centres, recruitment agencies, word of mouth, job adverts, direct and promotions.

Teacher explanation of the difference between internal and external recruitment – students mark next to their previous list of which methods are internal recruitment and which are external.

Show Reed advert – why would a business use a recruitment agency? Link to a benefit of external recruitment.

Why might an external recruitment policy be a good option in this case?

Group work – split the class into groups focusing on the benefits of either internal or external recruitment. Each group to create a list of 2-3 benefits. Each group shares one benefit with another group.

Complete question 1d) 9 marks Paper 2 June 2014.

### Lesson one

Focus on recruitment.

Show introduction on recruitment.

Teacher led explanation on job analysis.

Teacher led definition of a job description – show examples of job descriptions

Students create a job description for a role of their choice (eg football player, doctor, dentist etc.)

Teacher led definition of a person specification.

Students create a person specification for their chosen job.

Job description or person specification drag 'n' drop activity

Students brainstorm places jobs would be advertised.

Students to create a job advert for their chosen job.

process include an understanding

### Week 9 &10: Importance of motivation & Methods to motivate staff

- To understand the benefits of a motivated workforce.
- To understand the use of financial methods of motivation (including an understanding of the main methods of payment including salary, wage, commission and profit sharing).
- To understand the use of nonfinancial methods of motivation.

Benefits of a motivated workforce include staff retention and high productivity.

Financial methods include an understanding of the main methods of payment including salary, wage, commission and profit sharing.

Specific motivational theories (such as Maslow) will not be examined.

Non-financial methods of motivation include styles of management, importance of training, greater responsibility and fringe benefits.

Specific motivational theories (such as Maslow) will not be examined.

#### Lesson two

Focus on the selection process.

Sections of The Billion Dollar Chicken Shop video are good on the selection process used.

Students brainstorm methods businesses use to select individuals.

Teacher explanation on shortlisting suitable candidates.

Students are given two CVs – students decide on which candidate they would choose and why.

Interviews – students come up with three interesting interview questions they would ask to shortlisted candidates – in pairs students interview each other. As part of this process students should be considering what the business would be looking for in this process.

### Sample interview questions

Show a <u>video from The Job Interview</u> – students to explain which individuals they would select and why.

Personality tests – teacher explanation of why businesses use psychometric tests. Students complete a <u>simple test</u>

### Lesson 3

Recap recruitment process and focus on the importance of having an effective process.

Students brainstorm the benefits of having an effective recruitment and selection process. For each benefit students to write an extra sentence analysing why that benefit is good for the business, eg staff retention results in lower recruitment and training costs in the future.

BBC Bitesize recap quiz on recruitment

Recruitment and selection - Asda

Complete question 3b) 4 marks Paper 2 June 2015.

### **Contracts of Employment**

Starter to recap understanding – <u>recruitment word scramble</u>

### Weeks 11 &12: Training the Workforce

- To explain the benefits of training employees for a business.
- To understand the methods of training undertaken by businesses.
- To explain the benefits of induction training.
- To analyse the benefits and drawbacks of on the job and off the job training and evaluate which would be the most appropriate method for a variety of businesses.

Methods of training include induction training, on the job training and off the job training.

**DIRT** 



Teacher led explanation on the difference between part time and full time contracts, job share and zero hour contracts.

Students list the main types of businesses that will employ part time staff.

### What are the potential issues of zero hours contracts?

Research task – students to interview an owner of a business (local restaurant, shop etc.) and find out whether they employ part time staff. If they do, find out information on why they employ part time staff, i.e. the benefits for the business. If they don't, find out information on why they employ only full-time staff, i.e. the benefits for the business.

Group work: Using their research and interview information students create a table for the benefits of full time and part time employment.

Complete question 2d) 9 marks Paper 1 June 2015.

Starter – students list three things that motivate them.

Students complete motivation quiz – what's your attitude to work?

Teacher explanation on motivation.

Reference – <u>Tutor2u webpage on introduction to motivation</u>

Students identify from the <u>BBC Bitesize video</u> why motivation is important.

Show clip from <u>Undercover Boss Park Resorts</u> – show 8–16.30 mins. This clip shows workers who are demotivated in their job. Students to explain why they think workers are demotivated and what the impacts on the business are.

Students list the main benefits of a motivated workforce.

### **Financial Methods of Motivating Staff**

Starter – in pairs students imagine they are the owner of Amazon. Students list the methods they would use to motivate their workers.



Students to list the main types of pay – to help students show a range of pictures of different types of businesses which are likely to use different payment methods, eg an office, an estate agents, a factory, a restaurant etc.

Teacher led explanation on the difference between wages and salaries.

Using the video explain briefly the idea behind <u>F.W.Taylor's theory</u>. Use the video to explain the importance of pay dependent on output. Link this to commission and how workers are increasingly paid depending on the number of sales rather than output. No specific understanding of Taylor will be expected or examined.

Show clip from <u>Undercover Boss Park Resorts</u> – show 27–36 mins. This clip shows workers who are paid a higher wage. Students to identify and explain what the impacts on the motivation of workers are.

Pair work – why do businesses increasingly use profit sharing? To help understanding show video and webpage about profit sharing at John Lewis

Students go back to their original list made at the start of the lesson and highlight which methods of motivation they wrote down are financial methods of motivation.

Complete question 2c) 6 marks Paper 1 June 2014.

### Non-financial methods of motivating staff

Starter - recap understanding - Motivation by pay

<u>How does this business motivate their staff?</u> Students discuss whether they think this is a successful method of motivation.

Show pictures of five leaders (some business and some non-business contexts). In pairs students list the main characteristics they think these leaders possess.

Split students into groups with a clear task to complete. Each group has a leader to help ensure the task is completed effectively. Some leaders are told to be autocratic and some democratic. At the end of the task students feedback their thoughts on working under the different management style.

Show <u>images of Google offices</u> – students discuss why Google believe the office environment is important for their staff.



Teacher led explanation on fringe benefits. Students to list as many fringe benefits as they can.

Pair work – split class in two – students create an argument for either financial or non-financial methods of motivation being the most effective. Students have a debate in groups or as a class.

Complete question 3d) 9 marks Paper 2 June 2015.

Other questions – 3b) 6 marks Paper 1 June 2013 non-monetary motivation or 3c) 6 marks Paper 2 June 2014 staff appraisals.

### **Training**

Starter – recap understanding – <u>BBC Bitesize video on training</u>

Teacher explanation of induction training. Reference – <u>Tutor2u webpage on methods of training</u> staff

Students choose a business from a list of businesses provided, eg local cinema, A&E doctor at the local hospital, teacher. They are required to produce an induction training programme for new employees.

Teacher led explanation of on the job and off the job training.

In groups students will be required to produce <u>origami snakes</u> Each group will have a leader who trains the rest of the group. One set of groups will be trained through off the job and one through on the on the job. One student in each group will be given an 'example' snake and will need to check products reach that standard. Every three minutes you will receive an order for 15 units, and can sell each snake for £3 if they pass the quality control test.

After the task is complete students should identify and discuss the main benefits and drawbacks of each method of training.

Complete the 'on or off the job training?' exercise to identify when each type of training is appropriate.

Students complete a table including headings for type of training, definition, benefits, drawbacks and examples of when each method is used.

Complete question 2b) 4 marks Paper 2 June 2016.