

Unit Title:	Producing business plans for business ventures
OCR unit number	5
Ofqual reference number	H/503/0062
Level:	3
Credit value:	4
Guided learning hours:	38

Unit purpose and aim

This unit will develop the learner's understanding and skills required to produce and implement a business plan.

Learning Outcomes	Assessment Criteria	Knowledge, understanding and skills
<p>The Learner will:</p> <p>1 Understand the importance of business plans</p>	<p>The Learner can:</p> <p>1.1 Explain the purposes of a business plan</p> <p>1.2 Explain how reviewing outcomes of projects can inform future performance</p> <p>1.3 Explain how external sources of help can assist with planning</p>	<ul style="list-style-type: none"> • The importance of a business plan to different stakeholders with potentially different interests • The benefits of a business plan • The importance of reviewing the outcomes of business ideas/projects • How these reviews can affect future performance eg help with future planning, more accurate forecasts, improved time setting and costs • External sources of help available to draft business plans • The advantages of using external sources when drawing up the business plan, eg knowledge of the market, financial help, legislation

<p>2 Be able to produce business plans</p>	<p>2.1 Produce a business plan that includes a</p> <ul style="list-style-type: none"> • Marketing Plan • Operational Plan • Financial Plan <p>2.2 Present the business plan to a potential investor</p>	<p>Business plans</p> <ul style="list-style-type: none"> • Marketing plan may include: market research, distribution • Operational plan may include: quality control, quantity to be produced, production methods, staffing • Financial plan may include: cash flow forecast, break even analysis • Appropriate mode of delivery for audience, communication skills, personal presentation
<p>3 Know how to manage business risks</p>	<p>3.1 Describe how to monitor and review business risks</p> <p>3.2 Describe how to update a business plan to reflect business risks</p>	<ul style="list-style-type: none"> • Business risks, could include competitors, disposable income, cost of raw materials/stock • How to monitor and review risks through, for example, SWOT analysis, skills audits, analysis of competition, etc • The need to analyse the level of risk involved • How to update the business plan in response to these risks • Business risks include internal and external risks • Identify the need to eg agree new terms, raise additional finance

Assessment

This element is assessed by OCR set assignments that are centre assessed and externally moderated by OCR.

The candidate must be able to clearly explain the importance of having an up-to-date business plan when starting, operating, and developing a business.

The candidate must demonstrate a clear understanding of the different purposes a plan can be used for, produce a plan and know how to maintain it.

Candidates should complete all tasks contained in the candidate information section to demonstrate a clear understanding of these issues. Some tasks are assisted by a degree of group working, but each task requires the candidate to complete the report or presentation by themselves.

Candidates must complete the tasks for all assessment criteria contained within the unit.

Evidence requirements

In order to achieve this unit you must demonstrate that you have met all of the stated learning outcomes and assessment criteria. Candidates must complete the templates provided or where indicated either produce continuous prose in line with the indicated word limit or use another appropriate format.

In Learning Outcome 2, candidates must draw up a business plan incorporating, at a minimum, the elements laid out in the assessment criteria. Ideally this should then be presented to a prospective investor. A copy of the presentation must be included as evidence. A witness statement commenting on the presentation must be included signed by whoever was the recipient of the presentation.

In Learning Outcome 3, the business plan drawn up in Learning Outcome 2 should be updated to reflect the risks that have been identified. These changes must be clearly identified.

Guidance on assessment and evidence requirements

Assessment will take the form of an OCR template assignment, which allows the candidate to evidence each assessment criteria. For each assessment criteria, OCR will also supply templates to aid centres in confirming that all aspects of the assessment have been completed and that relevant evidence is available.

A breakdown of the expected actions is provided in the candidate section of the assignments. Tutors should ensure that the knowledge, understanding and skills section is sufficiently covered, according to the criteria provided.

All aspects of the task, as laid out in the candidate section, should be completed before the work is submitted to OCR for moderation. Witness Statement Forms have been provided where required. The tasks should be assessed in the centre before the candidate's portfolio is presented to the OCR-appointed examiner-moderator.

You should refer to the '*Admin Guide: Vocational Qualifications (A850)*' for *Notes on Preventing Computer-Assisted Malpractice*.

National Occupational Standards (NOS) mapping/signposting

NOS can be viewed on the relevant Sector Skills Council's website or the Occupational standards directory at www.ukstandards.co.uk.

Occupational standards	Unit number	Title
Most relevant		
SFEDI	BD3	Plan where your business is going
SFEDI	BS1	Identify needs and suppliers
SFEDI	EE1	Achieve your goals for the business
SFEDI	MN1	Decide on your financial needs
SFEDI	MN2	Set and monitor financial targets
SFEDI	MN7	Get finance
SFEDI	WB2	Plan how to let your customers know about your products or services
SFEDI	WB3	Plan how you will sell your products or services
SFEDI	WB10	Make presentations about your business

Relevant		
SFEDI	BD1	Check the likely success of a business idea
SFEDI	BD2	Define your product or service
SFEDI	BD4	Carry out a review of the business
SFEDI	BD6	Make changes to improve the business
SFEDI	BD7	Improve the quality of products and services
SFEDI	BD10	Get support for a creative idea
SFEDI	LG1	Choose a legal format that suits your business
SFEDI	MN3	Keep financial records
SFEDI	MN5	Get customers to pay on time
SFEDI	MN6	Invest capital
SFEDI	MN8	Monitor borrowing
SFEDI	OP1	Review the skills the business needs
SFEDI	OP2	Plan what people the business needs
SFEDI	WB6	Explore markets for your business abroad
SFEDI	YS1	Explore your own motives
SFEDI	YS2	Check your ability to run the business
SFEDI	YS3	Improve your skills
SFEDI	YS4	Seek advice and help for your business

Functional skills signposting

This section indicates where candidates may have an opportunity to develop their functional skills.

Link to functional skills standards <http://www.gcda.gov.uk/15565.aspx>

Functional Skills Standards					
English		Mathematics		ICT	
Speaking and Listening	✓	Representing	✓	Use ICT systems	✓
Reading	✓	Analysing	✓	Find and select information	✓
Writing	✓	Interpreting	✓	Develop, present and communicate information	✓

Resources

Candidates who wish to present their work electronically will require access to a computer with word processing software.

Additional information

In order for the candidate to achieve this unit the candidate must demonstrate an understanding of a new business's needs. The candidate will create elements of important information that can be added and developed into a business plan.

Further guidance is provided in the Notes for Tutors section of the assignment booklet.

For further information regarding administration for this qualification, please refer to the OCR document 'Admin Guide: Vocational Qualifications' (A850) on the OCR website www.ocr.org.uk.