







## Unit 5: Developing a business proposal

Use the faces to check and date your understanding of each section.




Section	Content			
AO1 Investigate potential business ideas	<ul style="list-style-type: none"> <li>• Considering potential business ideas</li> <li>• Software eg diagramming features of word processors, specialist software such as TheBrain</li> </ul>			
	Mind mapping business ideas: <ul style="list-style-type: none"> <li>• products ie good or service</li> <li>• product characteristics eg form, function, complexity</li> <li>• target markets eg business or final consumer</li> <li>• target market segments eg budget or high end</li> </ul>			
	Using mind maps to outline the resource implications of business ideas: <ul style="list-style-type: none"> <li>• human eg implications for skills, roles and responsibilities</li> <li>• physical eg implications for premises, equipment</li> <li>• financial eg implications for funding required, cash flow</li> <li>• personal eg organisational and management skills, impact on the owner eg workload and personal risk</li> </ul>			
	Considering potential: <ul style="list-style-type: none"> <li>• competitive advantage and rivalry</li> <li>• external environment factors relevant to the products and target markets</li> <li>• risk and uncertainty</li> </ul>			

	<ul style="list-style-type: none"> <li>• legal issues related to competitor trademarks and patents</li> <li>• continued expansion and potential to protect competitive advantage eg through use of trademarks and/or patents</li> </ul> <p>Selecting a business idea using mind maps and decision making tools:</p> <ul style="list-style-type: none"> <li>• PMI tool (Edward de Bono)</li> <li>• Ranking options</li> </ul>			
--	--	--	--	--




Section	Content			
AO2 Develop a business proposal	<ul style="list-style-type: none"> <li>• Approaches to developing a coherent business proposal eg business model canvas</li> <li>• Research plans to investigate the marketing, operations, human resources and financial</li> </ul>			

	<p>components of a business proposal</p> <ul style="list-style-type: none"> <li>• Implementing research plans to identify key findings</li> <li>• Completing a spreadsheet model of a business proposal, showing forecasted: <ul style="list-style-type: none"> <li>• sales, costs, contribution and break-even o cash flow</li> <li>• income statement</li> </ul> </li> </ul> <p>Using a completed spreadsheet model of a business proposal to:</p> <ul style="list-style-type: none"> <li>• test its viability</li> <li>• clarify its vision and aims</li> </ul>			
	<p>Marketing plan key components</p> <ul style="list-style-type: none"> <li>• target market customer profiles</li> <li>• competitors</li> <li>• unique sales proposition</li> <li>• customer value proposition</li> <li>• marketing activities</li> <li>• sales forecast</li> </ul> <p>Operations plan key components:</p> <ul style="list-style-type: none"> <li>• physical resources required</li> <li>• suppliers, materials and stock levels</li> <li>• customer order fulfilment processes and quality control</li> </ul> <p>Human resources plan key components:</p> <ul style="list-style-type: none"> <li>• skills and organisation of employees</li> <li>• employee motivation</li> <li>• management and leadership of employees</li> </ul> <p>Financial plan key components:</p> <ul style="list-style-type: none"> <li>• amount of finance required</li> <li>• method and cost of finance</li> <li>• cash flow forecast</li> </ul>			

	<ul style="list-style-type: none"> <li>projected income statement</li> </ul>			
	Coherence of the proposal			

Section	Content			
AO3 Present a business proposal to funding providers	<ul style="list-style-type: none"> <li>Methods of communication (verbal, non-verbal and visual)</li> <li>Executive summary, to include business activities, vision and aims</li> <li>Materials to communicate the key components of the business proposal</li> <li>Importance of producing concise and logical communication materials</li> </ul>			
	<ul style="list-style-type: none"> <li>Potential funding providers</li> <li>Channels of communication</li> <li>Responding to funding provider questions about the content of the outline marketing, operations, human resources and financial plans</li> <li>Dealing with funding provider concerns about the coherence of the business proposal,</li> </ul>			

	demonstrating potential leadership skills			

Section	Content			
AO4 Review a business proposal	<ul style="list-style-type: none"> <li>• Risks eg competitor reactions, staff performance, sales levels</li> <li>• Evidence eg past competitor behaviour, economic forecasts</li> <li>• Impact eg business image, sales outcomes</li> <li>• Managing change resulting from strategic and tactical responses to identified risks</li> </ul>			
	<p>Factors affecting the ability of the business proposal to achieve its aims, considering the challenges of:</p> <ul style="list-style-type: none"> <li>• achieving sales</li> <li>• acquiring human resources</li> <li>• leading and empowering human resources</li> </ul> <p>Modifying the business proposal's:</p> <ul style="list-style-type: none"> <li>• marketing plan</li> <li>• operations plan</li> <li>• human resources plan</li> </ul>			

