










## Unit RO64: Enterprise and Marketing

### Learning Outcome 5: Understand factors for consideration when starting up a business

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

Section	Content			
5.1 Appropriate forms of ownership for business start-ups	Sole trader			
	Partnership, including limited liability partnerships			
	Franchise			
	Features of each form of ownership, i.e. <ul style="list-style-type: none"> <li>- Owners</li> <li>- Basic legal requirements to start the business (e.g. business registration, HMRC)</li> <li>- Liability, i.e. limited , unlimited</li> <li>- Responsibility for decision making</li> <li>- Distribution of profit to the owners</li> </ul>			

Section	Content			
5.2 Source(s) of capital for business start-ups	own savings			
	friends and family			
	loans			
	crowdfunding			
	small business grants			
	business angels			

Section	Content			
5.3 The importance of a business plan	Why a business plan is needed, i.e. <ul style="list-style-type: none"> <li>- to clarify a business idea to others (e.g. to secure funding)</li> <li>- to measure progress towards goals (e.g. timescales, sales forecasts)</li> <li>- to help manage cash flow</li> <li>- to help identify potential problems (e.g. financial shortages)</li> </ul>			
	What the business plan should detail, i.e. <ul style="list-style-type: none"> <li>- business objectives</li> <li>- business strategies</li> <li>- sales plan</li> <li>- marketing plan</li> <li>- financial forecasts</li> </ul>			