**Business Lessons – R061 Revision**

*For externally assessed units, where the content contains* ***i.e. and e.g.*** *under areas of content, the following rules will be adhered to when setting questions:*

* ***a direct question maybe asked where the unit content is shown with an i.e.***
* *where unit content is shown as an e.g., a direct question will not be asked about that example. Any questions relating to the area of content will offer learners the opportunity to provide their own relevant examples, as the unit has not specified which examples they should be familiar with.*

**Aims**

This unit will provide learners with knowledge and understanding of how different forms of business ownership operate. It will cover how businesses are run in terms of their form of ownership, the impact of external factors on business success, understanding the different objectives businesses may have, and the key functional areas within a business which enable it to operate effectively.

Many areas taught in this unit will also be built upon and additionally assessed in an applied context in unit R063, such as; business objectives, finance, marketing, production/operations, human resources and external factors.

Learners will be taught different forms of business ownership and consider which of these forms of ownership are appropriate for different forms of business. They will be introduced to the concept of business objectives and understand how, and why, they are important to a business, and indeed why they may change over time.

Learners will also look at factors which impact on small, medium and large businesses such as basic social and economic factors and understand the restrictions that these factors place on business activity. They will also begin to consider how a business operates in terms of its key functional areas and the specific activities and responsibilities within each area.

The unit encourages learners to take the knowledge they have acquired from the teaching, and investigate how this relates to businesses in the real world. The external assessment will draw on the learners’ research and assess what they have learned, in an applied context, to a fictional business.

On completion of this unit, learners will have developed analytical and evaluative skills by conducting research on real businesses and applying this in the examination so that they have an understanding of business operations and their application in a realistic context

**January 2017 - Research Brief – H-tel**

**Context: H-tel is a large company that has five hotels located in cities across the United Kingdom(UK). Its average hotel has 120 bedrooms. Facilities in each hotel include a conference centre, a swimming pool and two restaurants.**

For the purpose of this unit, the different forms of business ownership are:

* sole trader
* partnership
* public limited companies (plc)
* private limited companies (ltd).

Learners must be taught:

* the characteristics of each form of business ownership
* the benefits and drawbacks of each form of business ownership
* reasons for changing from one form of business ownership to another
* the suitability of each form of business ownership for trading locally, nationally and internationally.

**Objective: The current objectives of the business are to provide an effective standard of customer service and to increase the number of bedrooms in each hotel by 10% to meet demand at peak times. A future objective is to find ways to increase occupancy on weekdays and in the winter.**

Learners must be taught:

* the purpose of business objectives
* different types of business objective, i.e.:
	+ profit
	+ social benefit (e.g. charities)
	+ sales
	+ market share
	+ to provide effective service to the public
	+ survival
	+ growth
* why business objectives may change over time
* the importance of business planning
* the impact of change on business objectives.
* external factors impact on business objectives, i.e.:
	+ impact on profit
	+ impact on social benefit
	+ impact on sales
	+ impact on market share
	+ impact on providing effective service to the public
	+ impact on survival
	+ impact on growth.

**Finance: The business will need to raise money to fund the expansion.**

**Marketing: The business needs to identify new markets to ensure that the business can fill its new rooms. A marketing strategy must be created to promote and sell the new bedrooms.**

Learners must be taught key concepts in:

* finance, i.e.:
	+ raising finance
	+ costs, revenue and profit
	+ cash flow
	+ break-even
* marketing, i.e.:
	+ market segmentation
	+ market research, i.e.:
		- primary market research
		- secondary market research
	+ the activities carried out within marketing to create the marketing mix, i.e.:
		- product
		- price
		- promotion
		- place

**Production: One of the two restaurants in each hotel prides itself on providing its cuisine from different regions of the world. Fresh ingredients are always used and sourced from local suppliers.**

Learners must be taught:

* production and operations, i.e.:
	+ producing goods and services
	+ quality control
	+ resource control
	+ logistics
* the external factors which impact on a business, i.e.:
* social (e.g. demographics)
* technological (e.g. emerging technologies, internet)
* environmental (e.g. greener working practices, green consumerism)
* ethical (e.g. moral issues, corporate social responsibility)
* political (e.g. change in government)
* legal (e.g. health and safety, minimum wage, copyright)
* economic (e.g. recession/recovery).

**Human Resources: Staffing can be a problem because H-tel needs to recruit more staff during busy periods. H-tel will need to consider ways to motivate temporary staff in order to encourage them to return in the future.**

* human resources management, i.e.:
	+ recruitment
	+ training
	+ retention
	+ pay
	+ working conditions performance management.