

# A Level Business Transition Booklet

Welcome to Business!

The Key Points from Induction Day were:

What to bring to lesson:

A folder

Text book : OCR Business

Paper & pens

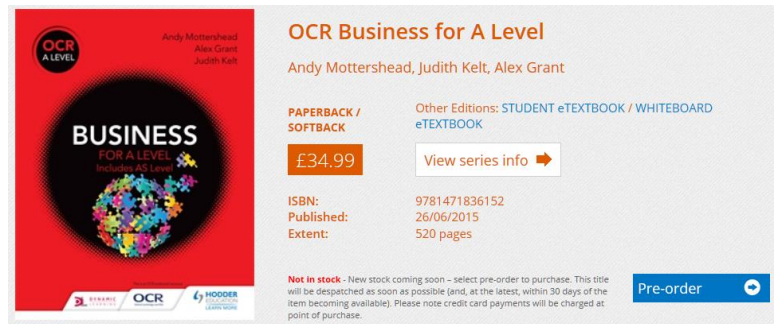
Independent study:

Access to emails

Organisation & Time Management

Transition Guide:

Please complete this guide by 1<sup>st</sup> September



This booklet is intended to provide some key learning in preparation for your A Level studies. Please complete this booklet using the internet as a resource.

## Understanding Business

Can you find out 3 definitions of the word BUSINESS from the internet?

There are really only three ways to start up a successful business:

1. Do something completely new (and that people want)
2. Do something that already exists, but do it better
3. Do something that already exists, but at lower cost

Understanding customer needs is vital in business success. Describe what you think the needs are of the following customer.

A customer dining at McDonalds

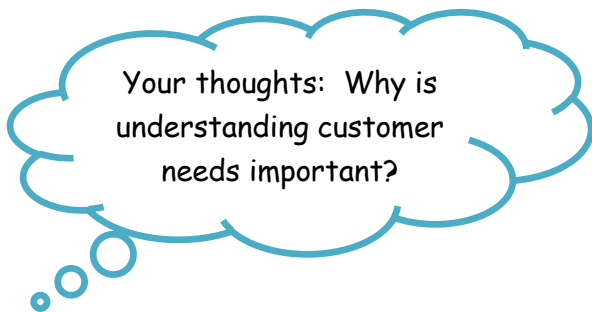


A customer shopping at Primark

PRIMARK®

A customer shopping at Marks and Spencer

YOUR M&S



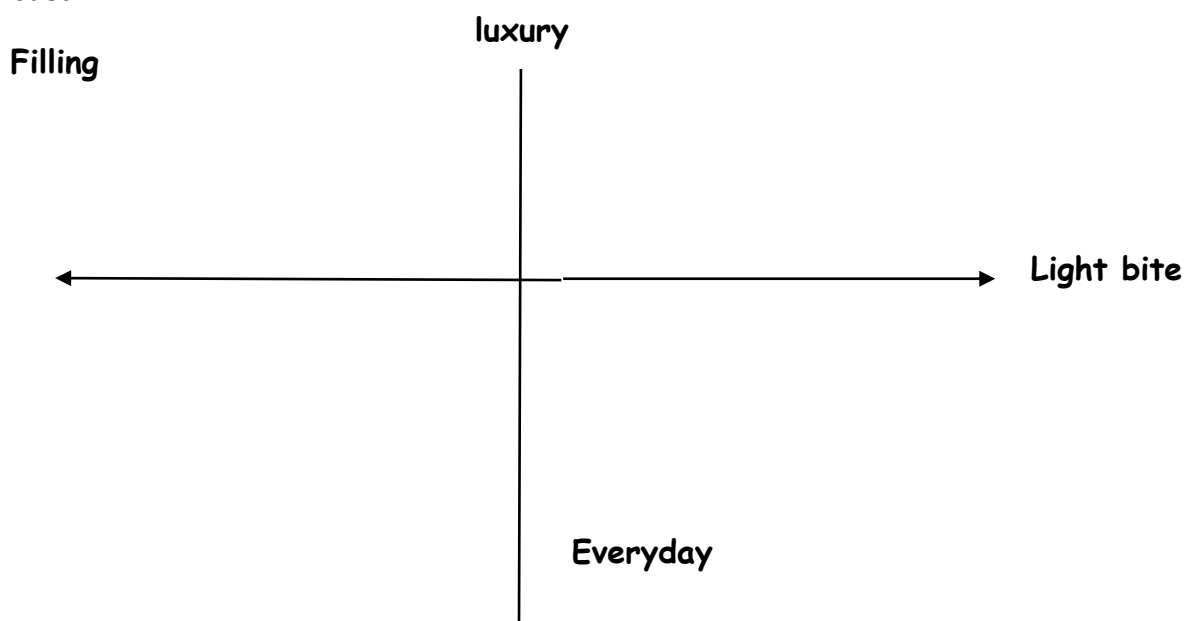
Understanding customer needs: Collecting data

What is market research? Can you find out using the internet?

Can you define primary and secondary research?

Can you find out the Advantages and disadvantages of primary research		Can you find out the Advantages and disadvantages of secondary research	
😊	😞	😊	😞

Market research is used to find out what customers want from a product or service. A business also has to find out whether the market is saturated with other similar businesses. In order to look at the market we can create a market map. Market mapping is a way of finding gaps in the market and identifying opportunities that are not currently being pursued.



Use the grid above to create your own market map for the chocolate industry

## SWOT analysis

A business needs to analysis the internal and external environment when making big decisions. One way of doing this is by conducting a SWOT analysis.

An example of a SWOT analysis for Starbucks Coffee :

<p><b>Strengths</b>          Huge global revenue.          It has a reputation for fine products and services.          It has almost 9000 cafes in almost 40 countries.          The company is a respected employer that values its workforce.          The organisation has strong ethical values</p>	<p><b>Weaknesses.</b>          They need to look for a portfolio of countries, in order to spread business risk.          The organisation is dependant on a main competitive advantage, the retail of coffee.          This could make them slow to diversify into other sectors should the need arise.</p>
<p><b>Opportunities.</b>          New products and services that can be retailed in their cafes, such as Fair Trade products.          New markets for coffee such as India and the Pacific Rim nations are beginning to emerge.          Co-branding with other manufacturers of food and drink, and brand franchising to manufacturers of other goods and services both have potential.</p>	<p><b>Threats.</b>          Will the market for coffee continue to grow?          Starbucks are exposed to rises in the cost of coffee and dairy products.          Copy cat brands          The effects of the recession on eating out and coffee</p>

Can you conduct a SWOT for McDonalds?

Strengths	Weaknesses
Opportunities	Threats

## Adding Value

What is added value?

The increased worth that a business creates for a product. It is the difference between what a business pays for the product and the price that is able to charge for the product/service.

- Convenience and speed: In today's world, customer expect stores to be near and want fast service. People will pay extra to save their own time. For example McDonalds
- Good design: Good and different design can cost more money.
- Packaging – can make products stand out. For example; perfumes.
- Quality
- Brand name
- USP – Unique selling point – something that makes the product worth paying extra for. For example; PS3/blu ray and Blackberry/instant messaging.

Over to you to have a go!!!

How could you add value to this T-shirt?



## Business Ownership

In Business we have to be able to find out accurate information from a variety of sources, the main one being the internet.

Can you research and define each of these methods of ownership, finding out advantages and disadvantages of each?

Sole trader

Partnership

Franchise

Co-operative

Private Limited Company

Public Limited Company