**edexcel**

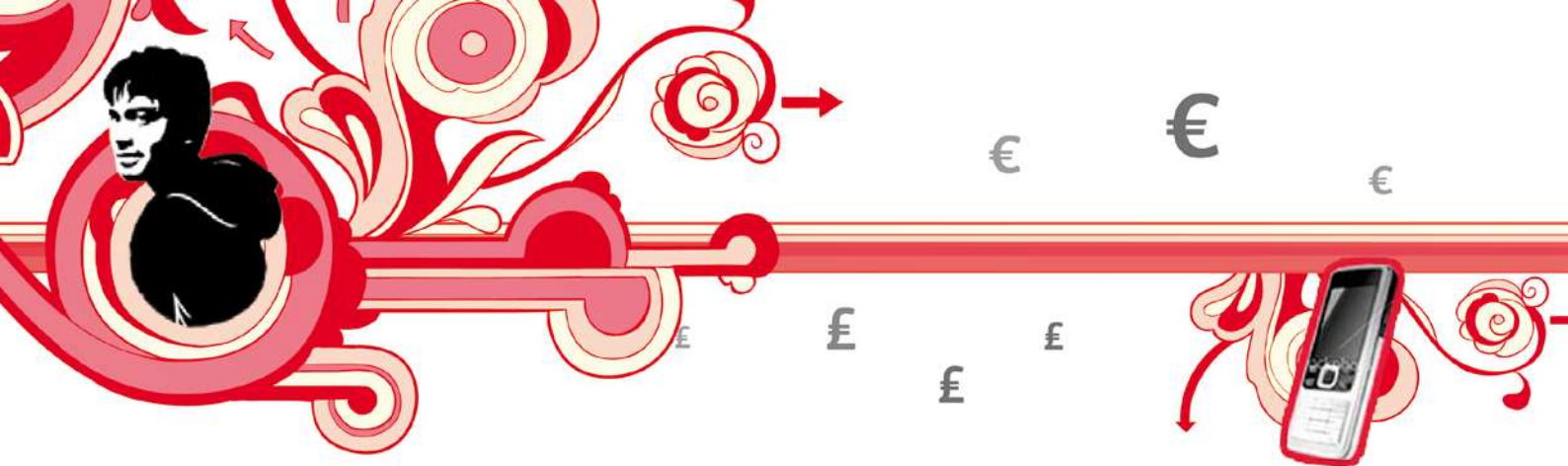advancing learning, changing lives

# Money & Finance Skills
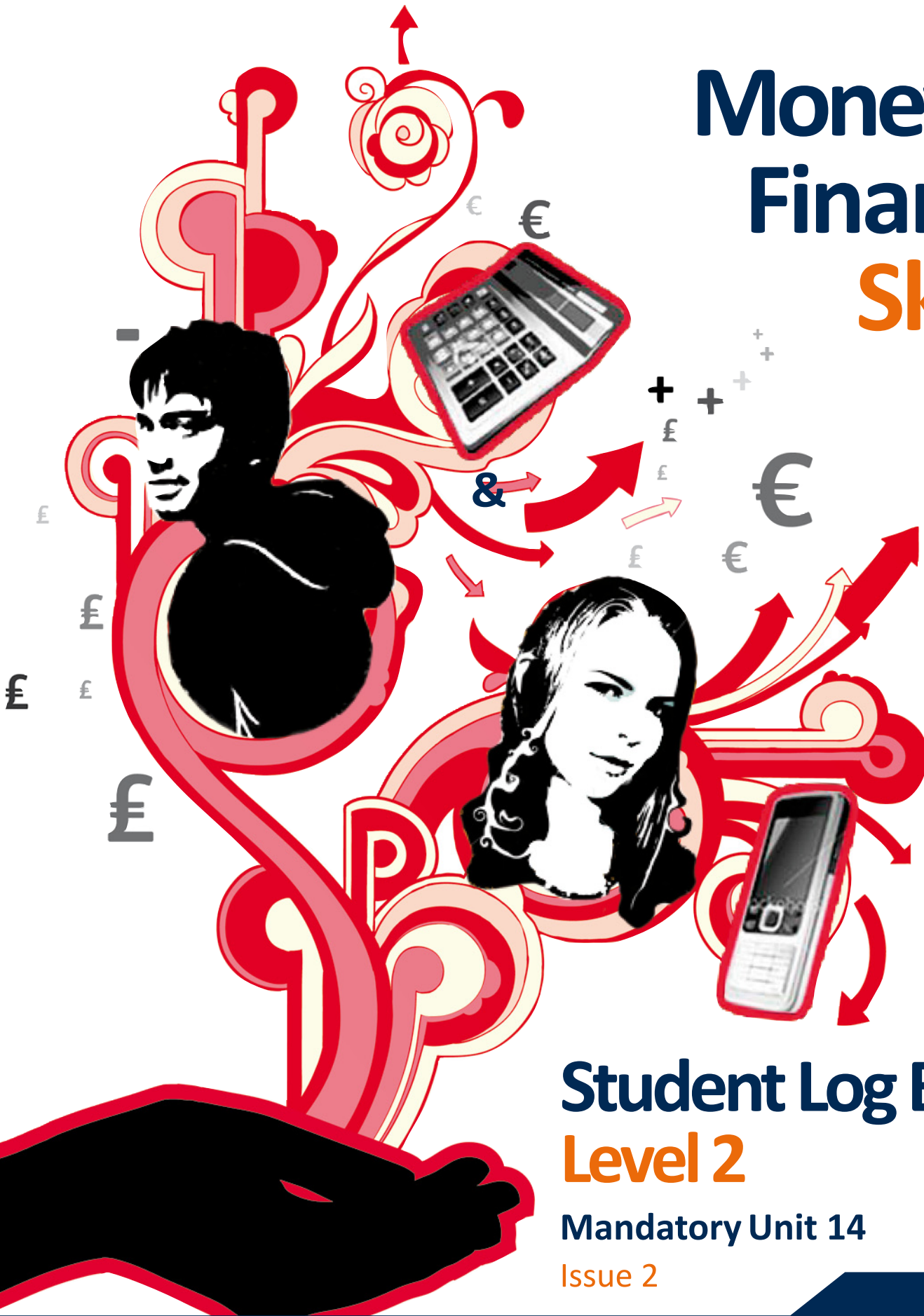
# Student Log Book

## Level 2

**Mandatory Unit 14**

Issue 2

# Unit 14 - Planning an Enterprise Activity

## 14.1 Setting up an enterprise

In this unit, you need to imagine you are setting up a small business or raising some money for something. Read Nationwide Education Fact sheet – *Business Enterprise* (FA6) and complete the activities below.
**Use the blank pages at the end of this unit if you run out of space.**

If you need some ideas for types of enterprises, www.mysmallbiz.com may get you thinking of profit-oriented activities or see www.raisingmoneyforcharity.org.uk for fundraising ones.

### 14.1.1 Activity 1

Identify an enterprise activity that you will be able to carry out by yourself or with a small group. To help you to plan the enterprise activity you will need to be clear about your product or service and who your customers will be.

Prepare a PowerPoint presentation to give to your group or classmates. Include:

a)      a clear description of your product or service *(AC 1.1)*

b)      what your product or service will provide for the customer *(AC 1.1)*

c)      how you will provide the product or service *(AC 1.1)*

d)      one type of customer who will buy your product or service *(AC 1.1)*

e)      why the customer is likely to buy the product or service. *(AC 1.2)*

**! Remember to include your presentation with your completed Log Book.**

## 14.1.2 Activity 2

You now need to make plans for your enterprise activity. *(AC 2.1)*

a)   Produce a detailed timeline which includes all the important activities; you can add to the table below or create your own. If you create your own plan remember to keep it with your completed Log Book.

| Activity | Start date | Time to complete (hours/days) | Finish date |
|---|---|---|---|
| **Administration time** | | | |
| Notes and risks | | | |
| **Preparation / manufacture** | | | |
| Notes and risks | | | |
| **Promotion** | | | |
| Notes and risks | | | |
| | | | |
| Notes and risks | | | |
| | | | |
| Notes and risks | | | |
| | | | |
| Notes and risks | | | |
| | | | |
| Notes and risks | | | |

b)   You'll need to work out the likely customer demand for your product. Include in your plan who the main target customer is and any other customers, and explain why they will buy your product and why they might not.

c)   Will you be able to run the enterprise yourself or will you need help? If you need help, how will you encourage those people to help or will you have to pay them? Include this in your plan.

d) Present a spreadsheet, to include your projected (estimated) costs for producing, promoting and selling the product or service. Using a formula in Excel will allow you to change your assumptions. An example is below, but each product or service will vary.

**!Remember to include your spreadsheet with your completed Log Book.**

| Description | Costs |
| --- | --- |
| Production | |
| Materials | £50 |
| Labour | free |
| Electricity | £10 |
| Promotion | |
| Posters | £20 |
| Leaflets | £40 |
| Selling | |
| Car boot stall | £5 |
| Petrol | £5 |
| **Total costs** | **£130** |

You can either add to the table below or create your own spreadsheet using Excel.

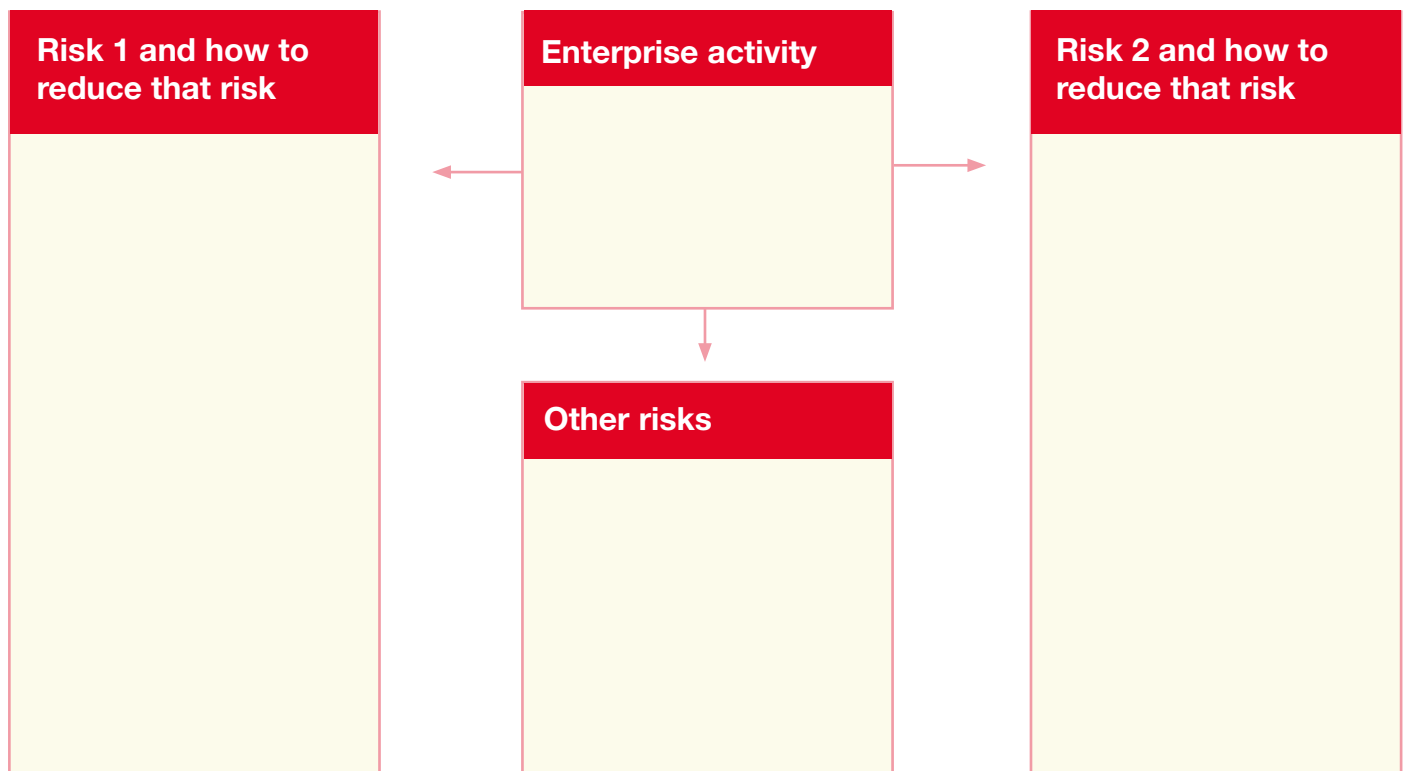| Description | Costs |
|---|---|
| Production | |
| | |
| | |
| | |
| | |
| | |
| Promotion | |
| | |
| | |
| | |
| | |
| | |
| Selling | |
| | |
| | |
| | |
| | |
| | |
| **Total costs** | |

e)      Calculate how much you should charge for your product or service.

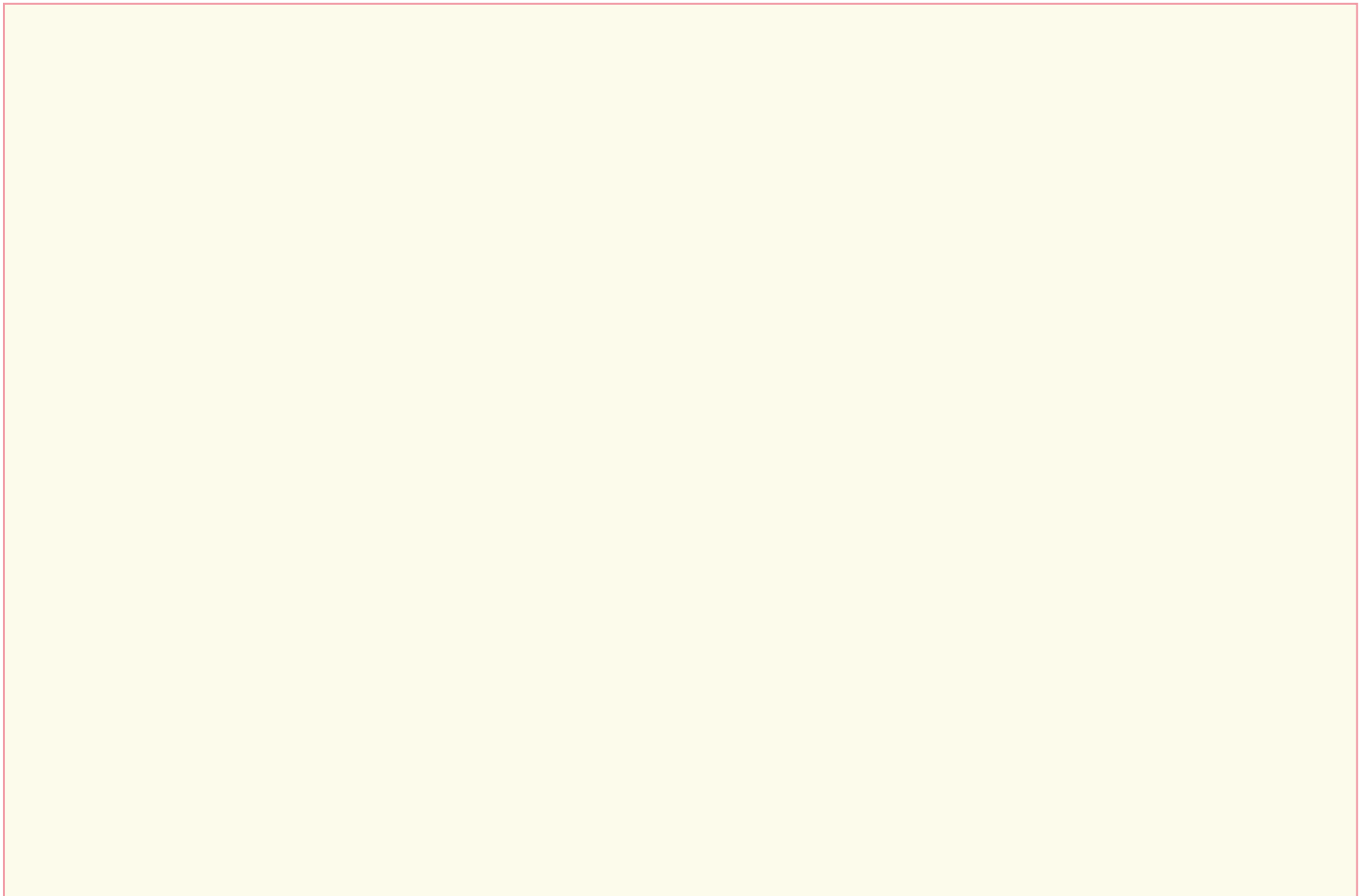f)      Indicate how many products you will make or services you intend to sell.

### 14.1.3 Activity 3

It is important to think about what might go wrong with your enterprise activity and to consider ways of reducing that risk. Make a mind map (either complete the map below or draw your own) to include:

a)      at least two possible risks that may happen to your enterprise activity

b)      a suggestion, for each risk, of a way it could be reduced. *(AC 3.1)*

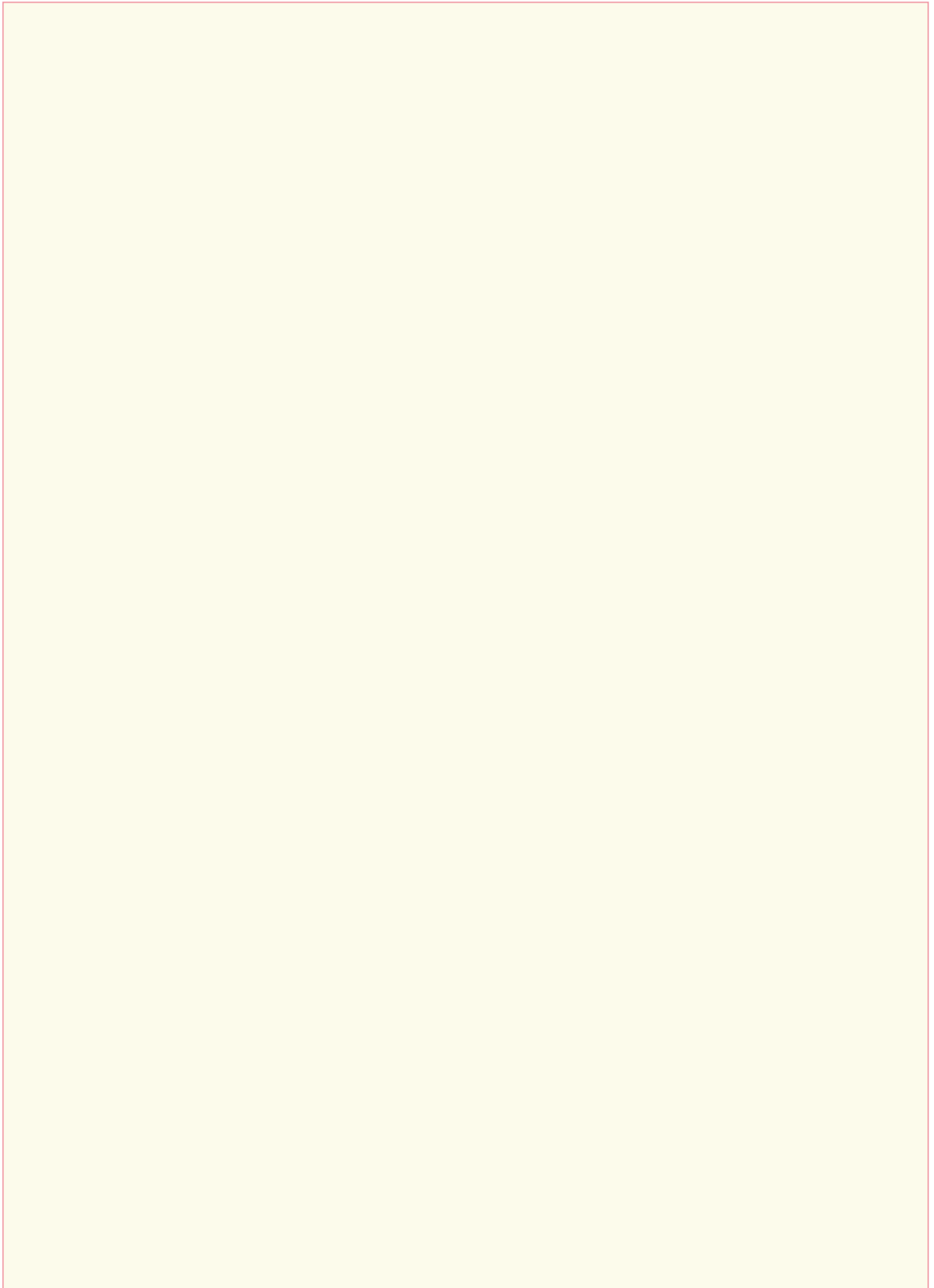| Risk 1 and how to reduce that risk | Enterprise activity | Risk 2 and how to reduce that risk |
|---|---|---|
| | Other risks | |

c)	Assess which is the greatest risk to your enterprise not succeeding and explain how you will try and ensure that it doesn't affect it.

**!Remember – if you are creating your own mind map to include it with your completed Log Book.**

**Use this page to continue your assignment. Please include the number of the question or activity you are answering.**

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