




KNOWLEDGE ORGANISER

			
Topic: 1.4 Business Ownership			
1.4.1 The options for start-up and small business			
<p>The concept of limited liability:</p> <ul style="list-style-type: none"> Limited and unlimited liability The implications for the business owner(s) of limited and unlimited liability <p>The types of business ownership for start-ups:</p> <ul style="list-style-type: none"> Sole trader, partnership, private limited company The advantages and disadvantages of each type of business ownership <p>The option of starting up and running a franchise operation:</p> <p>The advantages and disadvantages of franchising</p>			
1.4.2 Business Location			
<p>Factors influencing business location:</p> <ul style="list-style-type: none"> Proximity to: market, labour, materials and competitors Nature of the business activity The impact of the internet on location decisions: e-commerce and/or fixed premises 			
1.4.3 The Marketing Mix			
<p>What the marketing mix is and the importance of each element:</p> <ul style="list-style-type: none"> Price Product Promotion Place <p>How the elements of the marketing mix work together:</p> <ul style="list-style-type: none"> Balancing the marketing mix based on the competitive environment The impact of changing consumer needs on the marketing mix The impact of technology on the marketing mix: e-commerce, digital communication 			
1.4.4 Business Plans			
<p>The role and importance of a business plan</p> <ul style="list-style-type: none"> to identify: the business idea; business aims and objectives; target market (market research); forecast revenue, cost and profit; cash-flow forecast; sources of finance; location; marketing mix. <p>The purpose of planning business activity:</p> <p>The role and importance of a business plan in minimising risk and obtaining finance</p>			

Key Vocabulary

Business plan – a detailed documents setting out the marketing and financial thinking behind a proposed business

Entrepreneur – an individual who combines the factors of production to create a product, often taking risks

Aims – the long term goals of a business

Target market – the specific group of consumers a business is aiming to sell their product to

Revenue – the income from sales of the products

Costs – items such as rent, rates that a business must pay

Profit – revenue minus costs

Cash flow forecast – a prediction of the inflows and outflows of money the business will have each month

Sources of finance – places, businesses or people that a business can get money from in order to pay start-up and running costs

Wider Business World

Sole Traders- Nearly a third (31%) started their 'hobby business' activity in 2020, and close to one in five (17%) started after the first lockdown specifically, between July 2020 and December 2020. A further 18% have started generating additional income from a side business in the first half of 2021. Why is this?

Ben & Jerry's Ice Cream – Started by Ben Cohen and Jerry Greenfield as a business partnership

McDonalds, Dominos, Subway-
Example of a franchise and how successful they can be.