Assessors handbook - Gold INGOT Enterprise

BACK TO CONTENTS **[1]**

Level 2 Certificate in Open ICT Systems, Enterprise and Business growth

In addition to the 3 Gold INGOT units, candidates must also achieve the following two mandatory units.

Mandatory unit 20 hours	**Mandatory unit 20 h**
Understanding enterprise and business growth	**Participating in ente**
I know about a range of trading organisations such as not for profit companies, sole traders, partnerships and incorporated companies	I can use a BLOG to co enterprise.
I can discuss business plans identifying strengths and weaknesses	I understand different originality in enterprise
I can set up a spreadsheet to manage pay for employees including standard deductions such as tax and health insurance.	I can write a basic job
I understand simple share ownership, dividends and the associated tax issues	I have participated in are prepared to buy
I understand the responsibilities of Directors in running a business	I have gathered inform successful.
I understand the basic principles of customer care and some ways in which customers' attitudes to the business can be gauged	I have taken responsib achieved agreement w
I can discuss a sales strategy and understand how sales targets can be related to revenue and commission	I have worked positivel success.
I understand the issues involved in using profitability and turnover as indicators of business success	I have produced a writt through a BLOG.
I understand the 3 horizons of business growth	I have evaluated the w started a new enterpris
I understand the principles of disruptive innovation where a new technology or process can disrupt the dominance of existing businesses	My work as part of the good cause.

Assessor's guide to interpreting the criteria

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

Introduction

The Level 2 Certificate in ICT and Small Scale Enterprise, Gold INGOT (enterprise) is a five unit, level 2 qualification. It builds on the Level 1 Silver INGOT (enterprise) certificate and provides progression into Level 3 courses in economics, business and enterprise and related subjects as well as providing a basis in its own right for the world of work.

The **five mandatory units** are,

1. Knowledge of open systems (20 hours)
2. Producing documents and using spreadsheets. (20 hours)
3. Citizenship contributing resources to the community (20 hours)
4. Understanding innovation, enterprise and business growth (20 hours)
5. Participating in enterprise (20 hours)

The candidate must pass each mandatory unit to achieve a certificate for the full qualification. To achieve a merit overall, 3 units should be passed with merit or above, to achieve a distinction overall 3 units should be passed with distinction and the remaining 2 be at merit or better.

The criteria should be interpreted in the context Level 2 qualifications. These recognize the ability to gain a good knowledge and understanding of a subject area of work or study, and to perform varied tasks with some guidance or supervision. Learning at this level involves building knowledge and/or skills in relation to an area of work or a subject area and is appropriate for many job roles.

Think of working in a small scale enterprise where the goal is for the worker to be increasingly self-sufficient in the use of the available technologies and to understand how enterprise relates to sustaining a healthy business. As they develop their knowledge and experience they will strength their position to contribute to the decision making that will contribute to protecting existing jobs and generating new jobs through business growth.

The assessment details for the first 3 units are identical to those for the Gold INGOT given above. Each unit contributes equally to the qualification.

Unit 4 Understanding enterprise and business growth

The assessor should use on-going assessment against the criteria in accordance with the guidance below, encouraging self and peer assessment throughout the unit. There are 10 criteria that should be scored 0,1 or 2. 0 if the candidate has yet to demonstrate competence, 1 if they demonstrate competence but need some support from others and 2 if they are self-sufficient and fully competent.

Candidates should score at least 1 on all the criteria and at least 16 in total before taking the test. The test is a multiple choice exercise with 25 questions worth 25 unit marks. For criteria matching, 5 marks should be awarded to candidates that fully meet the criteria in their every day work, with a

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

score of 20, 4 marks if they score 19, 3 marks if they score 18, 2 marks if they score 17 and 1 mark if they score 16. Candidates with less than 1 mark from the criteria matching should not be entered for the test as they will be unlikely to do well and the aim should be for all those taking the test to at least pass.

When the assessor is confident that the candidate(s) is/are ready to take the test they should contact their Account Manager who will make a test available to them. All paper copies should be held securely until the test is taken and destroyed immediately afterwards. The unit score is made up from the total of the number of correct answers in the multiple choice test (0-25) and the number of unit marks from criteria matching (0-5). A total of 18 marks or more constitutes a pass, 21 to 24 a pass with merit and 25 or more a pass with distinction.

Moderation/verification

The Account Manager will request a commentary and assessment records for candidates awarded 4 or 5 marks on the criteria matching but who fail to achieve 13 marks on the test paper.

Unit 5 Participating in enterprise

In this unit candidates take part in an enterprise activity in a team of at least 3. The team has a target to raise $100 per member for a good cause demonstrating broad understanding of managing an enterprise project in doing so. They will provide evidence for assessment through documenting a BLOG.

Assessment specification

The purpose of this section is to ensure that there is a clear procedure to follow as guidance for the Enterprise Project. There are 50 marks available and the mark scheme is provided in detail below and directly relates to the Unit criteria. To pass, the candidate should achieve 28 marks. To pass with merit they should achieve 34 marks and for pass with distinction 40 marks or more.

The purpose of the Enterprise Project is to provide the candidate with a flexible opportunity to learn from first hand experience of selling a product or service to make money for a good cause. They will apply the skills learned in other aspects of the the INGOT certification together with new skills acquired as needed. This increases motivation and encourages progress to self-sufficient learning in keeping with contemporary ideas about learning how to learn and lifelong learning. Learning through direct participation supports understanding of technological development in the context of real enterprise and the associated opportunities and threats The over-arching criteria for judging success in a project are.

- Is the project of interest to the candidate?
- Did the candidate spend the required time working productively on the project as part of a group of at least 3 people?
- Did the group achieve the target of raising £50/$100 per member?

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

- Did the candidate demonstrate appropriate communication with their assessor and other members of the group through their BLOG?

- Is the project documented so that it is easy to see the contribution made by the candidate?

- Does the project documentation include appropriate reference to the UK National Occupational Standards?

A detailed mark scheme is provided below.

Note that the complexity of the project and the particular content covered is not important beyond being in keeping with Level 2 as defined above.

Work in the Silver INGOT and especially Unit 3 of the Gold INGOT will be useful preparation for the Enterprise project but the order of candidates tackling projects is left to the assessors and Center. The nature of the Enterprise project will be complementary to the Unit 3 community project but it must add a clear enterprise dimension that results in raising money and work should support all the assessment features of the Enterprise Project given in detail here. Some of the time allocated to the project will be to increase knowledge related to their project. This is a perfectly legitimate use of time and will provide the candidate with the background needed for participation and self-assessment. In the last analysis, candidates do have to successfully raise money for a good cause.

Candidates report on their project through a Web log or BLOG. We provide a secure and simple way of doing this from the community section of theINGOTs.org website. The Blog will then be used by the assessor and the Awarding Body as a key means for quality assurance. The BLOG can be entirely anonymous, its up to the candidate and their assessor to decide on what is acceptable given issues of child protection etc. The BLOG should provide a day to day description of the candidate's work, the time taken for particular tasks and an up to date summary of what has been learned/achieved so far. This summary should finally become a case study of the candidate's work. The assessor and moderators can then check that the required time has been spent and that this time has been spent productively. This does not mean that the candidate is unable to count time that turned out not to be fruitful as long as the intention was right, they learned something from the experience and this is documented. If candidates fail to achieve the financial targets set they can still be successful but they will not achieve the highest marks. Candidates must raise money through enterprising activities rather than being given money as straightforward donations. Examples of projects are given below. Candidates should become progressively more effective in guiding their own learning based on the demands of what they want to achieve. To take part in the program the candidate must provide permission to others to use and modify their work for the benefit of the global community.

In terms of skills, candidates will demonstrate

1. Use of a communication service to access the internet

2. The ability to select software applications to meet their needs

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

3. Selection and use of the computer user interface features to meet their needs

4. Adjustment of the system settings eg window size to suit their preferred way of working

5. Consideration of the effectiveness of the tools they choose to support their work

6. Management of files and media associated with their work

7. Selection and use of a range of sources of information to support their work

8. Recognition of the copyright implications of their work

9. Access to, navigation of and search of internet sources of information, purposefully and effectively

10. Use of appropriate search techniques and design queries to locate and select relevant information

11. Use of discrimination in selecting information that matches their requirements from a variety of sources and evaluation of fitness for purpose.

12. Review and modification of work as it progresses to ensure the result is fit for purpose and audience and to inform future work.

13. Communication appropriately by E-mail and/or Blog comments

14. Manage the storage of their communications data by attaching files to their blog and forming an e-portfolio.

15. Ability to do a simple analysis of the requirements of tasks, taking into account the information they need

16. Ability to use ICT effectively to explore, develop and interpret information and solve problems in a variety of subjects and contexts

Marking scheme for the community project

Although working as a team, individual candidates must show their own capability against this mark scheme and assessors must be sure that work submitted by the candidate is their own.

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

Setting up 4 marks

Introduction

In the first Blog entry they must

- Provide a title for their BLOG and project in the format "Gold INGOT Enterprise project center Number, Candidate Number <n> - "Title" (1 mark)
- Provide a short paragraph outlining the number of members in their team, the aims of the enterprise project and any key things that they need to do to hit the financial target (1 mark)
- Make a declaration that any work presented in the Blog is their own and where relevant choose a suitable license for it. (Assessors should ensure that candidates understand the copyright and licensing issues of using other people's work without permission as well as any evidence of plagiarism being grounds for disqualification) (1 mark)
- Provide references to the UK National Occupational Standards that are relevant to their proposed work. (Minimum of 5 relevant references at level 2) Outside the UK Candidates may make reference to local standards that are similar in demand to the UK NOS. (1 mark)

Roles, preferences and descriptions - 3 marks (Detailed role descriptions are given in the guidance in the next section)

- Candidates should document their job description based on discussion of their role preferences in the team (1 mark) saying how agreement was reached for the role they were assigned (1 mark). They need to set at least 3 key targets that are indicators of their contribution to achieving the over-arching goal which is to raise $100 per team member for a good cause. (1 mark).

Market Research - 6 marks

- Candidates should describe how they found out about whether the products they propose to sell are of interest to a target market. The description should say who the people are in their market, what sample size was used, what questions they were asked and how they responded. The candidate should attach at least one file to their BLOG with the instruments of their research eg a questionnaire, extract from an interview etc.

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

- Description of the type of people in the target market (1 mark)
- Number of people surveyed (1 mark)
- List of the questions asked (1 mark)
- What price they decided to sell at and why? (1 mark)
- Summary of the responses and how this was taken into account in their plans (1 mark)
- Appropriate attached file (1 mark)

Planning and resources - 6 marks

One BLOG entry should be dedicated to the business plan. This should be structured to cover the following

- A brief product description including any unique selling points (what are the benefits of value to the target market) (1 mark)
- A brief description of the competition in the market and their products. (1 mark)
- A list of any other risks that might prevent them from achieving their targets (1 mark)
- A brief description of the market based on their market research (1 mark)
- A summary of the resources (Including time. materials or money) needed to create their product and bring it to market (1 mark)
- Forecast targets for reaching their goal including specific dates and specific amounts of money raised by those dates. (1 mark)

Dialog with assessor and team members - 2 marks

The blog must show dialog with the assessor and/or team members that has the following characteristics

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

- Candidate makes suggestions about improvements, suggestions for revisions or changes in plans due to unforeseen circumstances or learning from the progress of the project. (1 mark)

- Candidate responds positively and constructively to the suggestions showing evidence of having worked positively with colleagues helping support attitudes that result in success. (1 mark)

Summary of activities - 6 marks

I have produced a written summary of my enterprise activities and presented them through a BLOG. There should be several Blog entries describing activities including

- Preparing the product for market (1 mark)

- Time taken in product preparation (1 mark)

- Description of sales activities (1 mark)

- Time spent on sales. (1 mark)

- Any feedback from customers (1 mark)

- Any action taken as a result of that feedback (1 mark)

Screen shots and illustrations - 2 marks

The candidate's blog should include graphical illustration. These might be screen shots or digital photographs of the product, planning tools etc.

- Using graphical illustrations (1 mark)

- Effective use of illustration that significantly enhances the work and correctly formats (1 mark)

Time management - 3 marks

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

- If the Blog is complete and consistent with 20 hours of effective and productive participation, award 3 marks. 2 marks if work is significant but there is evidence of inefficient use of time eg through some lack of focus. 1 mark if there is significant inefficient use of time but generally the BLOG provides evidence of productivity in the main areas of the Enterprise.

Clear communication in standard English - 3 marks

- The blog should be free from spelling errors (1 mark) and in clear simple language (1 mark) that communicates effectively with the audience (1 mark) Candidates are advised to use a web browser with spell check eg Firefox.

Originality - 3 marks

- Up to 3 marks can be awarded for originality. 1 mark if there is some original element to the approach even if the actual product or service is simply one of those listed here or something similar that has been done many times before. 2 marks if the product or service is itself of the team's own creation and not simply a copy of something already familiar. 3 marks if the product is of the teams own creation and overshoots the anticipated demand.

Hitting financial target - 9 marks

- 9 marks if the team hit their financial target of an average of £50/$100 per member.
- 7 marks if the team achieves £40/$80 per member
- 5 marks if the team achieves £30/$60 per member
- 3 marks if the team achieves £20/$40 per member
- 1 mark if the team achieves £10/$20 per member

Evaluation - 3 marks

Final blog entry should provide an evaluation which

- Compares the outcome to what was intended (1 mark)
- Gives brief description of two key improvements or enhancements that could be made to

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

increase revenue (2 marks)

Examples of possible enterprise projects

- Designing and making a product such as a badge, broach or item of jewelery
- Buying product and reselling it at a profit
- Adding value to an existing product by modifying or improving it and reselling it
- Providing a service eg washing cars, gardening or bag packing in a local store
- Providing tuition or technical support in ICT

Further guidance on the criteria and how to apply them

In unit 4, the criteria are fundamentally about knowledge and understanding whereas in unit 5 they are about practical involvement. The knowledge specified by the criteria and their expansion for Unit 4 (below) will be tested by direct criteria matching and a multiple choice test as described above. Unit 5 will be assessed against the mark scheme provided above which is directly related to the criteria and their expansion below.

Expansion of the assessment criteria

Unit 4 - Understanding Small Scale Enterprises

I know about a range of trading organisations such as charities, community interest companies, sole traders, partnerships and limited companies.

Organization fall into 3 main categories, public sector, private sector and third sector (not for profits). Public sector organizations are financed directly from the public purse and are governed by government appointed and elected officers. Private sector companies are owned by private individuals or groups of individuals and usually motivated by making profits for the owners. Third sector organizations are primarily targeted on the public good but are operated more like private companies with governance independent of government. The main advantage of a not for profit company is that in the USA they are exempt from federal income tax (http://en.wikipedia.org/wiki/501(c)). Candidates should understand the broad differences between trading organizations, tax advantages and possible operating restrictions in different types of organization. For example, a sole trader is personally responsible for debts and is likely to go personally bankrupt if the business goes bankrupt whereas incorporation limits the liability of individuals. S companies for small businesses and C companies for larger corporates (http://articles.bplans.com/index.php/business-term-glossary/business-terms-s). Candidates should discuss the advantages and disadvantages of self-employment and some possible scenarios. eg if they set up as a freelance journalist would they be a sole trader? If they set up a window cleaning business with a friend would they set up as a partnership or limited company? If they set up a business to raise money for cancer research would they set up a section 501(c) company. Why? They can research each of the organization types using internet searches with key words. They should also realize that in certain fields the target market might be more pre-disposed to one type of

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

company or another.

I can discuss business plans identifying strengths and weaknesses

Business plans vary but generally have two essential elements. An over-arching goal which is the main reason for the project and milestone targets that enable members of the team to adopt a common approach and expectations in achieving the over-arching goal. These two essential elements are then supported by information that is needed to achieve the milestone targets on the way to achieving the over-arching goal. Here is a simple example of a plan for 4 people, Jill, Jackie, Jon and Will. it's best to keep things simple and measurable.

Over-arching Goal:

To make $200 by 1/1/2008

Milestone goals:

Market research complete by 1/6/2007 (Jill)

Product prototype designed and tested by 1/8/2007 (Jackie)

Product finalized by 1/9/2007 (Jackie)

Advertising and publicity developed and out by 1/9/2007 (Jon)

Sell 50 widgets at $10 each to make $2 per unit profit by 1/10/2007 (Will)

Sell 50 more widgets at $10 each to make $2 per unit profit by 1/12/2007 (Will)

Cost of sales:

Input resources - 24 hours to design and make 100 widgets shared between team of 4 (6 hours each)

- Materials to make widgets $8 per item (1 hour each for procurement)

Market research - 12 hours shared between team of 4. (3 hours each)

Sales people - 24 hours shared between team of 4. (6 hours each)

Documentation, admin. and planning - 16 hours, (4 hours each)

Commentary: Names associated with targets are accountable for the target being achieved, other members of the team contributing. All targets will be evaluated at the specified date and if missed the person accountable will propose a strategy to get back on track. Team members have donated their time as investment to the business to get it started. 4 x 20 hours = 80 hours. At statutory minimum wage of $5 for young people that would be $400. The cost of materials is $8 for 100 widgets so $800. That is $1200 altogether. Selling 100 widgets at $10 each gets $1000 so deficit is $200.

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

Assuming each person can make and sell 5 further widgets per hour the input cost is $5 for employee time and $40 for materials (5 x 8) giving a total of $45. Selling at $10 gives $50 income and a profit of $5. So to break-even from the original investment with 4 people making a profit of $5 per hour is $20 per hour and will take a further 10 hours of operation.

Business plans are not ever tablets of stone and there are always uncertainties. They are there to support the overarching goal and will inevitably be varied as unforeseen issues arise. Where possible they should be quantified with specific estimates and figures even if these are effectively just reasonable guesses. Figures can be adjusted and a spreadsheet model will enable "what if" scenarios to be tested. In the above example how would it affect things if they managed to sell for $11 per widget? What happens if they only sell 20 widgets in the first target period? Business plans can become over-complex with product descriptions, risk analysis and biographies of the management team. At this level keep the focus on costs of production and selling so candidates understand the realities of break even, profit and loss, realistic price pitching and realistic cost of sales. Common weaknesses in business plans is not to consider the quantifiable elements in sufficient detail, not putting time limits on targets and not making specific people accountable for outcomes. Only include sufficient targets to ensure that the over-arching goal is achieved. Too many targets are as bad as too few. All targets should be SMART (Specific, Measurable, Attainable, Realistic and To a deadline) Attainable and realistic do not mean "soft". Targets should be challenging but possible, moving the team out of the comfort zone. No enterprise will succeed by setting it's sights too low in order to be sure of achieving targets.

I can set up a spreadsheet to manage pay for employees including standard deductions such as tax and health insurance

Candidates should be able to use current tax rates and rules to set up a spreadsheet to calculate pay in a simple startup scenario. Assume it's a single person in the simplest situation to start. The book Starting and Running a Small Business by Fred S Steingold is a good reference.

I understand simple share ownership, dividends and the associated tax issues.

Incorporated companies are owned by shareholders. If the company makes a profit it can pay a dividend to shareholders. This is usually a proportion of the profits divided up on a per share basis. So if a company has 10 share holders each with 10 shares and it makes a profit of $10,000 after paying its corporation tax, it could elect to pay out, for example, $5,000 ie half the profit after tax as a dividend. There are 100 shares so the dividend is $50 per share and each share holder gets $500. Candidates should be able to perform simple calculations associated with paying dividends and that the person owning most shares will get paid most when a dividend is paid. Of course it might be better to re-invest the earnings in business growth. This means the shareholders don't get ready cash at that point in time but might gain more by the increased value of their shares as the business grows and increases in value.

I understand the responsibilities of Directors in running a business

Directors are responsible for the well being of a business and making sure it conforms to government rules and regulations.

Candidates need to know that Directors can be held personally liable for malpractice associated with the business and that in extreme case they can go to jail! Corporations whose shares are to be

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

traded publicly will need to register with the Securities and Exchange Commission in Washington. The SEC maintains an on-line register and has important rules that Directors must observe in the running of the business. While things are less complicated for small traders, there are still legal responsibilities that Directors must understand. This is what keeps accountants, business consultants and specialist lawyers busy and is a business overhead that needs serious consideration.

I understand the basic principles of customer care and some ways in which customers'; attitudes to the business can be gauged.

Customer care involves putting systems in place to maximize the customers' satisfaction with the business. It should be a prime consideration for every business - sales and profitability depend on keeping customers happy.

Customer care is more directly important in some roles in the organization than others. For those in direct contact with customers, eg receptionists, sales staff etc, customer care should be a core element of their job description and should feature strongly in their qualifications and/or training. Customer care in other areas of the business is also important since factors such as the quality of manufacture, speed of response to complaints and fulfilling orders on time have a major impact on customers' satisfaction.

Candidates should consider the following

- How can they determine how well the product or service matches customer needs?
- How does the value for money of products compare to that of competitors?
- What systems might ensure efficiency and reliability in fulfilling orders?
- What simple steps can be taken to promote the professionalism, friendliness towards customers?
- How can customers be kept informed about new services and added value?
- What complaints procedures are appropriate?

I can discuss a sales strategy and understand how sales targets can be related to revenue and commission

Marketing is the process of identifying, anticipating and then meeting the needs and requirements of consumers in order to make a profit. In contrast, selling involves persuading customers that your products or services provide the benefits that they are looking for. Essentially, marketing puts the needs of the customer first. Through market research, it is possible to find out about customer tastes and requirements. Sales take place after marketing has helped the business to identify those sorts of goods that identified potential customers are looking for. The sales person's job is to convince

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

customers that the products provide the best value in meeting their needs. Candidates should realize that products rarely sell themselves. Sales skills are just as important as the product development and market research - some consider them more important. There is a mass of noise of people selling millions of products and somehow the customers need to hear their message in amongst all of that. The first part of a sales strategy is to identify the prospective customers. This should already have been done using market research. Then there has to be a way of getting the customers to know that the product is available and why it is the best thing for them. Sales strategies vary but there are some common themes.

1. Advertising and promotion. If the customers don't know the product exists they aren't going to buy it

2. Building relationships. People are generally much more likely to buy from someone they like and trust

3. Supporting the product's unique selling points and handling objections

4. Closing the sale and ensuring a good after sales service.

It's relatively easy to quantify the cost of selling and to determine how much the sales person's efforts are contributing to profitability. It is therefore very common to set sales targets for the sales staff and to directly relate their pay to their performance. Pay that is directly dependent on sales revenues is called commission. From a salesman's point of view it's best to have a product that really is the best in the market because it makes it much easier to earn more. It's in the businesses interests to get good sales staff so offering realistic prospects of earning large amounts from commission is a standard way of doing this. To be good at sales requires a good perception of how people think and feel about things and how to react to these emotions. It also requires belief in the product and tenacity in the face of rejection.

I understand the issues involved in using profitability and turnover as indicators of business success

The relationship between profit and turnover is very variable. Turnover is an indication of the size of the business but it's a very simplistic measure. A company could be one person selling a single item in huge quantities at very low margins. Let's say someone shifting computer monitors costing $100 each and making $5 per monitor. This person sells a batch of 10,000 to a bulk buyer with a 50% discount so that is a $1 million turnover and a profit of $25,000. Compare that to a consultant that charges $1000 a day and takes on a 25 day contract. Both earn $25,000 one from a turnover of $25,000 the other from a turnover of $1m. Which has the safest business? Which has to work hardest? The value of a business depends on many factors but mostly the perceived worth to any prospective buyers. Potential earnings as well as current earnings make a big difference so even loss making businesses can have a large value if the buyer knows how to turn it from loss into profit. A highly profitable business dependent entirely on the skills and knowledge of one individual about to retire, might have very little value at all. An entrepreneur building a successful business from scratch is more likely to make more money by selling the business than in any short term revenues it is likely to generate. This is the principle behind Venture Capital. Build businesses or add value to them and then sell them to established businesses or shareholders that are taking a longer term view.

I understand the 3 horizons of business growth

The book "The Alchemy of Growth" (http://www.internettime.com/blog/archives/001380.html)

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

describes three business horizons for successful and sustained growth. First horizon business is the business that is running now and forms the main source of revenue. Second horizon business is new business that has proven itself to be profitable and is ready to be considered for investment to turn it into first horizon business. Third horizon business is business with initial potential to build and sustain growth by taking over from second horizon business when the second horizon is converted to first horizon business. This forms a pipeline for sustaining long term growth. While this is simplified it stresses the need always to be looking for new ideas so that the pipeline for growth is never empty. While the analysis originates in large companies that have the resources to finance large research and development programs it is applicable to small businesses too. It's rather more difficult in small companies because the resources to keep the company profitable while doing the research are rarely sufficient. This is why most small businesses stay small. They lack the investment and resources to grow. Good ideas can attract development finance from Business Angels and Venture Capitalists but there needs to be a very convincing case for growth to persuade them to part with their money.

I understand the principles of disruptive innovation where a new technology or process can disrupt the dominance of existing businesses

There is a good summary of disruptive innovation at http://en.wikipedia.org/wiki/Disruptive_technology. Essentially candidates should know that characteristic products for a disruptive innovation are those that enable a large group to buy into a product or service that were not able to previously do so because the price was too high. The new product might not be as good as the products dominating the market but they are good enough for those that are currently excluded. Usually the product improves over time and takes more and more of the established market as it becomes good enough for more people. It's generally not possible for the dominant company in the market to lower its prices to the level of the newcomer because it will mean cutting profits to a level unacceptable to the shareholders. Designing new lower cost products with low margins simply undermines their own high value business. The outcome is often that the dominant player is force up into smaller and smaller niche markets where margins can be sustained but the volume business is then lost.

Unit 5 - Participating in enterprise

I can use a BLOG to communicate a description of my contribution to a planned enterprise

Candidates should demonstrate that they can use the blogging facilities on the INGOT community web site to provide a structured and clear account of their contribution to the enterprise. They can refer to the work of other team members and the team as a whole but the emphasis should be about what they did to contribute to the overall success of the team. They can draw on learning from Unit 3 and so it is advisable to complete Unit 3 and to have it assessed before embarking on this Unit.

I understand different role preferences in an enterprise team and the value of originality in enterprise

Teams require complementary skills. There has been a lot of research in this field with classic works such as that of Belbin worth bringing to the attention of learners. http://changingminds.org/explanations/preferences/belbin.htm. While it is quite fun to do the Belbin self-assessment tests it's sufficient at this stage for candidates to be familiar with the concept of teams and that building effective teams is not about having a set clones of the team leader - in fact that is likely to produce conflict and hinder progress. They should also be beginning to learn that in practice people often have to take on more than one role and sometimes get put in roles that they don't naturally relish. Being forced into an alien role is likely to be stressful and the most effective

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

teams have a good role balance where people naturally commit energy to the team goals in complementary ways. If we draw an analogy with sport, the most effective teams have players that take on complementary team roles, a team full of goal minders is going to be less effective than one with the right balance of skills and the best balance can change with the circumstances eg the way the opposition play or the nature of the stadium or weather. This is further complicated by the fact that a team of goal minders from the NHL might still beat a balanced team selected from a local town. In the last analysis, candidates should be able to describe the roles they have taken in the team and how these were agreed with other members. Finally, most aspects of team work are routine but originality can, even in small amounts, make a very big difference to outcomes. Some scope to give credit for original thinking and actions is made.

I can write a basic job description for roles within an enterprise team

The candidate should write a basic job description for their role in the team. This should cover their agreed areas of responsibility and at least 3 key targets that they will be held accountable for achieving. Note that targets need objective, unambiguous outcomes that can be evaluated at a specific point in time. So "promoting the product" is not a target, it's an aim. Getting 100 flyers to potential customers by the 1st of July is a target. A characteristic of targets is number. Generally if a target has a specific number stated and a date for evaluation, it's a genuine target. Another possibility is a yes/no target. "Were the required components to make the product available to the deadline?" It's possible to write a lot in a job description or very little. The main function of the job description is for the team to cover the main tasks needed for success fairly and so that all members understand the level of expectation for each team member. The job description is effectively an agreed contract between the team and the individual.

I have participated in market research to find out what services or products people are prepared to buy

The team should carry out some market testing either to decide what product to supply or to see what interest there is in an idea they have. A standard way of doing this is to survey a typical sample of the market. eg if they were proposing to offer a bag packing service in a local shop they might ask people leaving the shop if they would pay for such a service and if so how much? If they count the number of people leaving in an hour they can then work out what the hourly income is likely to be from that activity and consider whether there are other activities that might make more profitable use of their time. The questions asked in these circumstances are likely to be few since people haven't a lot of time. Would you pay for this service? Yes/No. "Would you be prepared to pay $1?" They should consider the way they ask questions. It might be that they ask for a contribution decided by the customer, they should consider the advantages and disadvantages of this over a fixed price. Another variation might be a recommended minimum. They should also consider the effect of telling the customer about the good cause that any money will support. Is there a difference in the customer attitude depending on where their money is going? If they ask would you pay $1, $2 or $5, it could entice people to go for the lowest. Asking different representative samples for different prices is more likely to give a more reliable result. If they were targeting say parents they might send out a written questionnaire with more questions. They could set up a section on a web site to gather the information, they can use any appropriate method. For all of these reasons they need to spend a bit of time planning their research if it is going to give them good quality information. Some groups might do an initial survey and decide that it didn't do what they intended and so repeat this with a modified or different approach. In such cases candidates should document this briefly in their Blog.

The description of the type of people in the target market in the examples above would be shoppers at <store name>. An appropriate number of people surveyed might be 100 - they might do 25 each in a team of 4 and pool the results. Attaching an appropriate file could be a written survey the

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

person surveyed fills in or it could be an audio file of a sample of the questions asked in the way they were asked.

I have gathered information about the resources needed for the project to be successful

Candidates should consider the resources they will need to complete the work. This might be their time and they should estimate how many person hours will be needed - it should be about 20 but there is no time limit if they want to be more ambitious. They should explain at least in outline how they expect the resources to be used rather than just stating what is needed and include this in the Blog planning entry (See below)

I have taken responsibility for devising a discrete part of the business plan and achieved agreement with the group on its inclusion in the whole plan

One BLOG entry should be dedicated to the business plan. This should provide the full plan from the team and indicate any specific aspects where the candidate made the main contribution or led the team. The product description should make it clear what is being sold and why this has a value to the potential customers. They should draw on evidence from their market research here. What other risks have they considered that might prevent them achieving their targets eg competitors, permission to sell services in a particular place, need for supervision, manufacturing the product to a particular standard. They should draw on their information gathering about the resources they need to at least summarize the time, skills, knowledge, transport, materials etc that they will need to complete the project. If these are to be provided from sources free of charge they should say so. Finally the plan should summarize the targets they specified in their Job Description against each team member showing how these are stepping stones to achieving the over-arching goal of raising the target money.

I have worked positively with colleagues and helped support attitudes that result in success

In general the candidate should show co-operative attitudes and at least some enthusiasm for contributing to the team including occasionally taking a lead in some aspects of the work. The Blog comments should provide evidence of dialog with the assessor and/or colleagues that reflect cooperation and positive response to comments and suggestions.

I have produced a written summary of my enterprise activities and presented them through a BLOG

The candidate must produce several Blog entries that describe the activities they have undertaken in addition to the planning of the project. These should cover the preparations of the product or service itself for the market, a record of the time spent on various activities, a description of the sales activities, and any customer feedback and action taken as a result. The blog should include some graphical illustration and be written in simple, clear, standard English. The Blog overall should provide evidence of a project of 20 hours or more of guided learning. The candidate's Blog should highlight any aspects of originality either in the approach or the product or service itself, particularly if it results in an unexpected level of demand or a better than expected outcome.

I have evaluated the work of of the team identifying things I would improve if I started a new enterprise

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

The final Blog entry should be an evaluation comparing the outcome with what was intended. Candidates should focus on key enhancements or improvements that could have improved the outcomes.

My work as part of the team contributed to the group raising $100 per person for a good cause

The over-arching goal is to raise an average of $100 per person for a good cause. This can be any good cause of the team's choosing but we have a project to raise money for education in African townships as a central good cause that can take donations. If they miss their target they will still get marks for getting part of the way there but it's worth discussing the fact that in the world of enterprise it's outcomes that matter. Good intentions don't necessarily keep people in employment or pay the bills.

Moderation - The assessor will discuss the work of a selection of candidates chosen by the Account Manager with the Account Manager using the evidence provided by candidate Blogs. Certification will be authorized when the Account Manager is satisfied that the assessment is fair and accurate based on the evidence provided.

BACK TO CONTENTS **[1]**

Source URL: https://theingots.org/community/handbook/gold/enterprise

Links
[1] https://theingots.org/community/handbook

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');