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| **Title:** | **Assessing the viability of a business idea** |
| **Level:** | **3** |
| **Credit value:** | **3** |
| **Unit guided learning hours** | **16** |
| **Learning outcomes (the learner will)** | **Assessment criteria (the learner can)** |
| 1 Be able to propose an idea for an enterprise | 1.1 Define personal aim(s) and objective(s)for starting own enterprise1.2 Define the aim(s) and objective(s) of their proposed business idea1.3 Outline the key physical, human and financial resources required1.4 Determine the best possible legal entity for their proposed enterprise |
| 2 Understand how to gather advice about the proposed business idea | 2.1 Assess advice from relevant people about starting the proposed enterprise2.2 Plan the course of action to be taken in order to develop the business idea |
| 3 Understand the viability of the proposed business idea | 3.1 Examine the demand for the product/service, exploring the existence of competitors3.2 Assess the viability of the business idea in order to provide a sustainable and profitable enterprise |
| **Additional information about the unit** |
| Unit purpose and aim(s) | To assess the viability of a business idea. |
| Details of the relationship between the unit and relevant national occupational standards or professional standards or curricula (if appropriate) | Links to SFEDI 2010 NOS: BD1, BD2, BD3, BD10, BD11, LG1, OP1, OP2, YS1, YS2, YS4Links to CfA 2009 NOS: BS2, BS5 |
| Assessment requirements or guidance specified by a sector or regulatory body (if appropriate) |  |
| Support for the unit from a sector skills council or other appropriate body (if required) | Council for Administration (CfA) |
| Equivalencies agreed for the unit (if required) | E3.01 - Assessing the viability of a business idea |

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| Location of the unit within the subject/sector classification system | 15.3 - Business Management |
| **Additional Guidance about the Unit** |
| **Indicative Content:** |
| 1 | • Personal objectives in relation to the business – such as the proportion or level of income it must provide, attitudes to growth, timescale• Importance of business aims (and social and/or environmental aims where appropriate), SMART objectives, purpose, vision and mission statements as appropriate• Overall aims, objectives, purpose, vision or mission for business/enterprise• Brief consideration of the key business/enterprise components, including the products/services; market; resources (such as finance, equipment, premises, stock.); legislation; skill and knowledge needs, as appropriate to the business/enterprise• Main business entities/structures – sole trader, partnership, limited company, NFP, charity, social enterprise, co-operative• Implications of chosen type of operation, including legal aspects, tax, NIC, insurances, local regulations, trading standards• Processes for forming and registering businesses, as appropriate |
| 2 | • Sources of information and support such as banks, accountants, legal professionals, central and local government agencies, libraries and professional associations• Nature, purpose and value of networks• Identification of relevant networks• Effective networking creation and practices• Methods to establish and maintain effective business relationships• Sources of formal and informal information; their costs, benefits and reliability• Range of business support services – such as banks, solicitors, accountants, small business advisory services, consultants, training providers, as appropriate• Range of business information services, such as including the internet, local and national sources• How to access and select the most appropriate information source for various business situations |
| 3 |  • Simple PESTLE analysis and its application to the business• Market factors, such as size, location, accessibility, future potential, competition• Demands for products/services• Identification of stakeholder(s) for those involved in social enterprise |