

1.1 Introduction to Business Management

- Wants & Needs
- The Role of a Business
- Inputs & Outputs
- Labour vs Capital-Intensive Production
- Functional Areas of a Business
- Sectors of the Economy/Production
- Entrepreneurship vs Intrapreneurship
- Forms of Integration
- Reasons To Start a Business
- Steps To Start A Business
- Common Problems Faced by New Businesses
- The Elements & Purpose of a Business Plan

1.4 Stakeholders

- Internal & External Stakeholders
- Shareholders
- Competitors
- Stakeholder Analysis

Use the hyperlinks
for an easy
experience!

1.2 Types of Business Organisations

- Sole Traders
- Partnerships
- Private & Public Limited Companies
- Charities
- Micro-financiers
- Types of Cooperative
- Social Enterprises
- NGOs
- Public-Private Partnerships
- Non-profit Organisations

1.5 The External Environment

- STEEPLE/PESTLE Analysis

1.7 Organisational Planning Tools (HL)

- Fishbone Diagrams
- Gantt Charts
- Decision Trees
- Forcefield Analysis

1.3 Organizational Objectives

- Vision & Mission Statement
- Objectives, Tactics, Strategies
- Conscious Consumers
- Corporate Social Responsibility
- Internal & External Changes
- SWOT Matrix
- Reasons for Ethical Objectives
- Ansoff Matrix (market development, market penetration, product development, diversification)

1.6 Growth and Evolution

- Economies of Scale (Internal & External)
- Average costs
- Diseconomies of Scale
- Small vs Large Organisations
- Reasons to Grow your Business
- Reasons to Stay Small
- Internal & External Growth
- Mergers, Acquisitions, Joint Ventures
- Strategic Alliances & Franchises
- Globalisation
- Free Trade, Protectionism, Trade Barriers, Tariffs Quotas, Trading Blocs

Inputs are processed into **outputs**, which are goods or services

Inputs

- Human
- Physical
- Financial
- Enterprise

Processes turn inputs into provision of service or manufacture of goods

Outputs are the final good or provision of services

Added value is the difference between the value of inputs (cost of production) and the value of outputs (what is sold to the customer)

A capital-intensive industry is one whose major costs results from investments in equipment, machinery, or other expensive capital assets

+ cheaper

Labour intensive is needing a large workforce or a large amount of work in relation to output

+ Enterprise and innovation



Planning a start-up



The Elements of a Business Plan

- The business idea, aims and objectives- setting out the business idea in the right context
- Business organization- how the business will be organized
- HR- how the business will be staffed
- Finance- how the business will be financed
- Marketing- how best to market the product
- Operations- how the product will be made

The Purpose of a Business Plan

- support the launch of a new organization or business idea
- attract new funds from banks, grant providers, or venture capitalists
- support strategic planning
- identify resource needs
- provide a focus or development
- work as a measure of business success.

1.6 Growth and Evolution

Economies of Scale (EOS) refers to the case where the average unit cost of production decreases as the level of output increases.

Average Costs is the production cost per unit of output.

- **Purchasing:** bulk-buying provides a discount per piece; ↓ AC.
- **Technical:** businesses can afford to invest in new, advanced technology; ↑ efficiency.
- **Marketing:** as a business grows, it has larger, more targeted campaigns.
- **Managerial:** occurs when a business can afford to hire specialists. These specialists manage the business more efficiently and effectively, leading to a fall in AC.
- **Financial:** as a business grows, it has cheaper access to capital, (more trustworthy = ↓ interest rate)
- **Risk-bearing:** as a business grows, it expands into new markets which spreads the risk of the business failing



The diagram illustrates the Average Total Cost Formula. It features a calculator icon on the left, a bar chart with a dollar sign and an upward arrow on the right, and a small bar chart at the bottom right. The formula is presented as: Average Total Cost Formula = $\frac{\text{Total Cost of Production}}{\text{Quantity of Units Produced}}$.

Diseconomies of Scale (DEOS) occurs when a firm grows too large and unit costs increase as production increases.

- **Communication**
- **Control**
- **Coordination**

External EOS: when factors external to the business lead to a fall in ACs

