**Higher Business Management**

**Understanding Business Checklist**

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| **Outcome 1 - Role of Business** |  |  |  |
| * Describe needs, wants, goods and services. * Describe roles, skills and qualities of an entrepreneur. * Describe and give examples of the factors of production.   **Sectors of industry**   * Describe and give examples of the 4 sectors of industry. * Explain the change in the sectors of industry.   **Wealth Creation**   * Define the term wealth creations * Discuss the impact of wealth creation |  |  |  |
| **Sectors of Industry** |  |  |  |
| * Describe the 3 sectors of economy.   **Private Sector**  Describe who owns, runs, finance, objectives and the liability of:   * Sole Trader * Partnership * LTD * PLC * MNC * Discuss setting up a business in each of the ways above. * Define the term franchise. * Distinguish between a franchisee and franchisor. * Discuss setting up as a franchise for the franchisee and franchisor. * Discuss the impact of globalisation for MNCs.   **Public Sector**  Describe who owns, runs, finance, objectives and key roles of the following:   * UK Parliament * Scottish Government * Local Authorities   **Third Sector**  Describe who owns, runs, finance and objectives of the following:   * Social Enterprises * Voluntary Organisations * Not-for-profit organisations * Discuss the organisations above. * Describe what a democratic enterprise is. * Justify the popularity of a democratic enterprise. |  |  |  |
| **Objectives** |  |  |  |
| **Mission Statement**   * Describe the term mission statement. * Describe what information a mission statement will share.   **Objectives** (The key at higher is to give impacts)   * Define the term objective. * Justify the need to set objectives. * Describe what factors will influence setting an objective.   Describe and justify the following private sector objectives:   * Maximise profit * Survival * Provision of a service * Increase market share * Maximise sales * Satisficing * Managerial objectives * Growth * CSR   Describe and justify the following public sector objectives:   * Stick to an agreed budget * Provision of a service * Managerial objectives * Satisfying * CSR   Describe and justify the following third sector objectives:   * CSR * Raise awareness of a good cause * Raise money for a good cause * Fund medical research * Justify a business having good CSR. |  |  |  |
| **Growth** |  |  |  |
| * Justify why a business would want to grow.   **Internal Growth/ Organic Growth**  Describe and give impacts for methods of growing internally  **External Growth**  Describe and discuss the following methods of growth:   * Merger * Takeover * Horizontal integration * Backwards vertical integration * Forward vertical integration * Diversification/ Conglomerate * Outsourcing * De-merger * Divestment * Management Buy-Out/ Buy-In * Asset Stripping |  |  |  |
| **Internal Structures** |  |  |  |
| * Describe and justify having an organisation chart.   Define the following terms:   * Subordinates * Superiors * Empowerment * Authority * Responsibility * Delegation * Chain of command * Narrow V Wide span of control (Discuss the impact of each)   Describe the following types of relationships:   * Line * Lateral * Staff * Functional * Informal (Describe how they occur and what problems can occur from having them)   **Grouping Structures**   * Describe factors to consider when choosing a grouping.   Describe and discuss the following groupings:   * Functional * Product/ service * Custom * Location * Technology * Line/ Staff   **Management Structures**  Describe and discuss the following management structures:   * Tall * Flat * Matrix * Entrepreneurial * Centralised * Decentralised * Describe factors that affect structural change.   Describe and discuss:   * Downsizing * Delayering |  |  |  |
| **Outcome 2 - Internal Factors** |  |  |  |
| Explain how the following can influence a business:   * Human Resources * Finance * Internal Technology * Corporate Culture * Describe factors that influence designing a corporate culture. * Describe methods of establishing a corporate culture. * Discuss a business establishing a corporate culture. |  |  |  |
| **External Factors** |  |  |  |
| Explain how the following factors can impact on a business:   * Political factors (Corporation tax, income tax, VAT rates, law changes) * Economic factors (Employment, recession, interest rates) * Social factors (Flexible working, woman working, customer tastes) * Technology (New ICT, growth of s-commerce) * Environmental (Recycling pressures, weather changes) * Competitive (New competitor, competitor launching a new product)   Competition policy   * Describe what CMA do, their purpose and the areas they cover. |  |  |  |
| **Stakeholders** |  |  |  |
| * Distinguish between internal and external stakeholders. * Distinguish between an interest and an influence/ impact. * Describe the interest and influence of internal and external stakeholders. * Define the term conflict and interdependence.   Describe the conflicts and interdependence that happens between:   * Owners and employees * Owners and customers * Employees and customers * Owners and suppliers * Owners and banks * Owners and government * Owners and local authority * Owners and pressure groups |  |  |  |
| **Outcome 3 - Decision Making** |  |  |  |
| **Types of Decisions**  For strategic, tactical and operational decisions describe: What it is?   * Who makes it? * What term does it last? * What risk factor does it come with? * Examples   **Role of the manager (POCCCDM)**   * Describe the historic roles of the manager. * Describe the modern-day roles of the manager. * Describe factors that affect making quality decisions. * Describe ways of measuring how effective a decision has been.   **Decision making models**   * Describe what a SWOT analysis is. * Describe features of a SWOT analysis. * Discuss the use of a SWOY analysis.   Describe the POGADSCIE model for making decisions.  Discuss the use of a POGADSCIE decision making model. |  |  |  |