

BTEC Tech Award: Enterprise

Component 2 : Planning for and Pitching an Enterprise Activity (Controlled Assessment)		
Learning Aim		Assessment Evidence
A	Explore ideas and plan for a micro-enterprise activity	
B	Pitch a micro-enterprise activity	<To be added by the teacher>
C	Review own pitch for a micro-enterprise activity	<To be added by the teacher>

Electronic Contents Page

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- [Learning Aim B](#) [Presentation]
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COMPONENT 2 – Planning for and Pitching an Enterprise Activity

Generating & Selecting Ideas

A



- **Learning Aim A** Explore ideas and plan for a micro-enterprise activity

An entrepreneur is someone who runs an enterprise with the willingness to take risks! He or she has to come up with ideas of what their enterprise will be.



How can they generate ideas?

- Mind mapping / thought showering new ideas [innovation]
- Look at a problem which needs solving – how can a new enterprise solve this?
- Importing an idea from abroad that works in another country [goods or services in a new market]
- Adapting a current product or service [goods or services in a new context].
- Looking at what skills and attributes you have and how you, as an entrepreneur, can use them to build a new enterprise.



Selecting the **BEST** idea isn't an easy task. The best one which is **achievable** and is only achievable if you have the resources.

Resources can include:

- ✓ Human resources
- ✓ Financial resources / financial forecasts
- ✓ Physical resources
- ✓ Communication methods and promotional methods
- ✓ Skills of people / ability to recruit the skill set

There also needs to be a **gap in the market** (a need for the product or service) otherwise it is unlikely the enterprise will be a great success.

But – you must analyse if there is a reason there is a gap in the market. The best way to see a visual representation of the market is by creating a market map.

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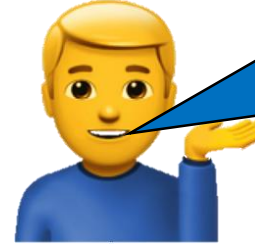
Skills Auditing

A

- **Learning Aim A** Explore ideas and plan for a micro-enterprise activity



A skills audit is a process of identifying your own skills and the skills of others to see what skills your enterprise has and identifying what they therefore need.



A skills audit is usually done on a scale using either number of phrases to help you to identify where you are:

Examples

A scale of 1-5

'No experience' - 'Very experienced'

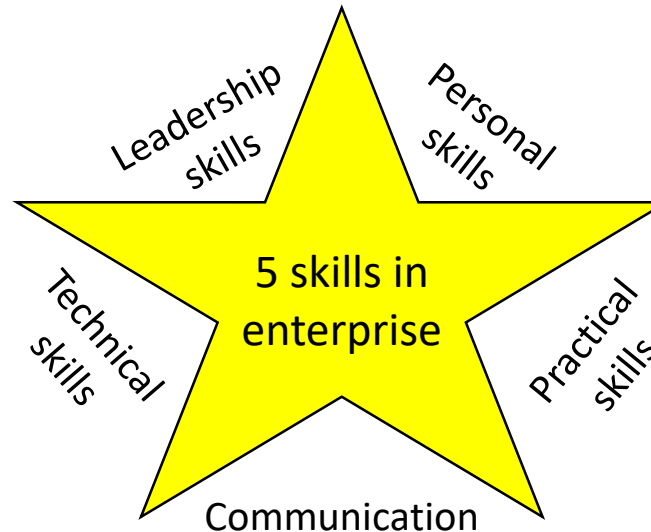
A graphical representation of the audit process!

1. List the skills required

2. List and audit the skills you have

3. 'What gaps can we see exist?'

4. 'How can these gaps be addressed and closed?'



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Aims Goods and Services

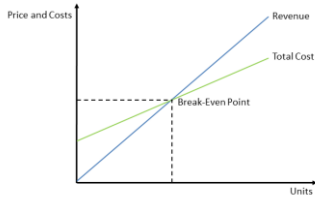
A

- **Learning Aim A** Explore ideas and plan for a micro-enterprise activity

Financial Aims

Plans that involve money based targets are financial aims because they involve the enterprises finances.

Examples are 'to make a profit' and to 'achieve break even'.



Non-financial Aims

These are not linked money based targets, but are linked to other aspects of the enterprise such as strengthening brand image, building relationships with customers and suppliers or operating ethically.



All aims should be SMART:

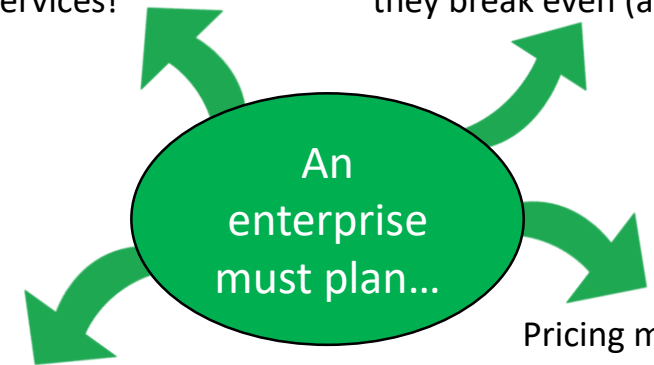
Specific, Measurable, Achievable, Realistic and Time-bound.



All entrepreneurs need to know what goods and services they're going to sell and be sure they're going to meet their customers wants and needs (market research is a must here!)

The features, benefits and USPs of all its products and services!

The costings (fixed & variable) and pricing carefully to make sure they break even (at least!)



Around their competitions.

- What are their competitors?
- What do they offer?
- What are their prices?
- How will we compete?

Pricing models to encourage potential customers!

- ✓ Skimming
- ✓ Penetration
- ✓ Cost Plus
- ✓ Competition based

COMPONENT 2 – Planning for and Pitching an Enterprise Activity

Target Markets

A

- **Learning Aim A** Explore ideas and plan for a micro-enterprise activity

<p>Geographic</p> <p>Target customers based on a predefined geographic boundary. Differences in interests, values, and preferences vary dramatically throughout cities, states, regions, and countries.</p>	<p>Demographic</p> <p>The process of dividing a market through variables such as age, gender, education level, family size, occupation, income, and more. This is one of the most widely used strategies amongst marketers.</p>
<p>Psychographic</p> <p>Focus on the intrinsic traits the target customer has. Psychographic traits can range from values, personalities, interests, attitudes, conscious and subconscious motivators, lifestyles, and opinions.</p>	<p>Behavioral</p> <p>Break down the way customers go through their decision making and buying processes. Attitudes towards the brand, the way they use it, and their knowledge base are all behavioral examples.</p>

You have got to **appeal** to your target market.



This will help you to know where to sell the product, what price your customers are willing to pay and how best to attract the interest of the target market (promotions)

To do this successfully you'll need to complete some market research.

Now you have appealed to the target market, you must know how to reach them (i.e. sell the goods and services to them!).

Once you get to know your customers wants, needs and habits you'll be able to attract new customers and work on gaining repeat customers!

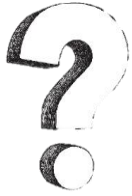
Market segmentation is dividing your customers into groups based on them having similar characteristics!

- Geographic example: Young adults who have an interest in football
- Demographic example: People who live and work in the countryside
- Psychographic example: Adults who are interested in a healthy life
- Behavioural example: Those who only purchase certain brands.



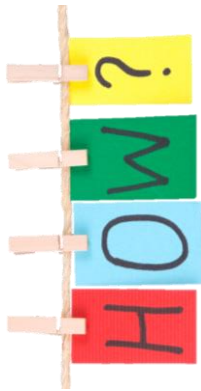
COMPONENT 2 – Planning for and Pitching an Enterprise Activity

- **Learning Aim A** Explore ideas and plan for a micro-enterprise activity



Why should enterprises keep in touch with customers?

- To keep them informed
- In an attempt to increase sales



How can enterprises keep in touch with customers?

Direct marketing

- Text messages
- Emails
- Letters to customers homes

Viral marketing

- Billboards
- Web banners
- Radio and TV
- Point of Sale
- Via third parties



When creating promotional material it is key that you consider:

- How appropriate the content of the promotion is
 - Is it accurate?
 - Is it complete?
 - Is it clear?
- How appropriate the appearance of the promotion is
 - Is the colour appropriate?
 - Do the visual add to or hinder the message?
 - Are the images supportive?
 - Is the text easy to read?

Communication with Customers & Resources



Now to do all of that on the left and run a successful enterprise you're going to need resources in your enterprise!



Physical resources
Location, materials, equipment, IT, stock, fixtures & fittings!



Human resources
The people the enterprise need which including their staff.



Financial resources
Sources of finance, start up costs, running costs, fixed costs and production costs!



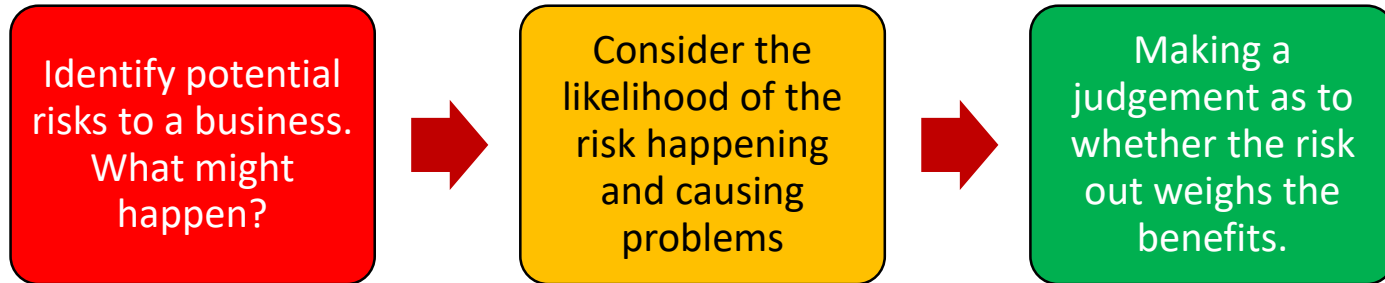
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Risk Assessments

A

- **Learning Aim A** Explore ideas and plan for a micro-enterprise activity

When setting up a business you need to consider risks and assess whether the risks are likely to happen!



Potential risks

(Lucky ... or unlucky if you don't realise they're risky!)



- **L**ack of entrepreneurial skill through lack of experience
- **U**nexpected costs of production
- **C**ompetitor actions which pose threat to your business
- **K**eeping quality of a high standard to gain good reputation (quality control)
- **Y**our customer interest aren't interested [market research would avoid this]



When main risks have been identified contingency plans should be put in place to deal with the risks. This doesn't reduced the risk, but means the enterprise is ready and prepared to deal with the risks just like when school have a fire drill – it doesn't remove the risk of fires happening, but means we all know what to do when a fire does happen!

COMPONENT 2 – Planning for and Pitching an Enterprise Activity

PITCHING

B

- **Learning Aim B** Pitch a micro-enterprise activity

- **Pitch:** A presentation made by an entrepreneur about the nature and details of an idea or start up to persuade a person or business to invest in the enterprise, or loan capital to start up the enterprise.
- The purpose of a pitch is to provide your audience (potential investors/lenders) with information about the enterprise which you are running.
- You need to convince them and prove to them why your business is or is becoming a huge success!
- Pitches usually last 2-10 minutes, include lots of facts, and end with the opportunity for the investors/lenders being able to ask questions.



Are there different ways in deliver a pitch to investors/lenders?

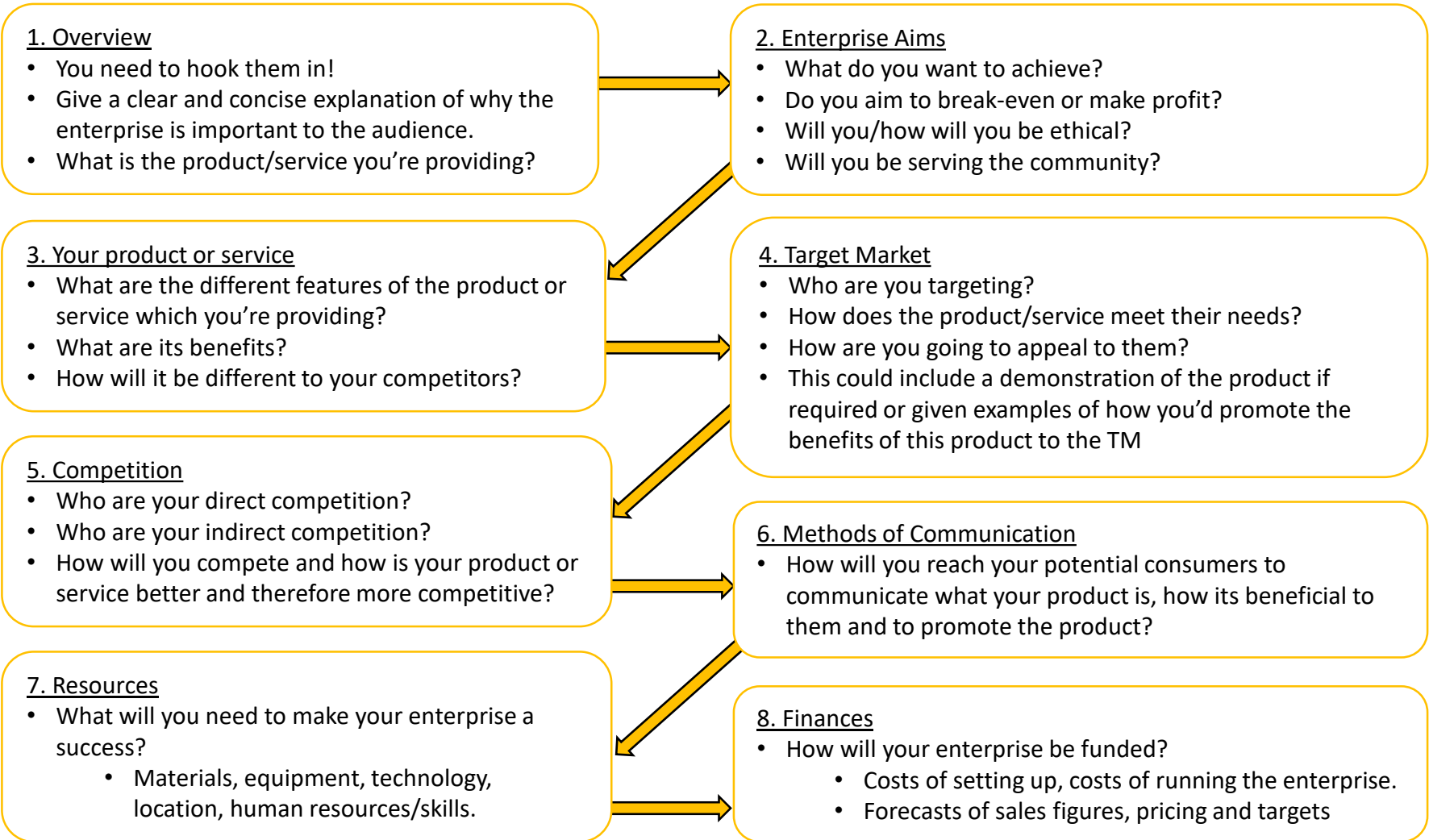
- ✓ Face-to-face
- ✓ Email
- ✓ Formal letter
- ✓ Passing conversation

How can I deliver a persuasive pitch?

- ✓ Tell a **story** to explain your idea or your journey to this point of the pitch from the start.
- ✓ Be focused on **problem solving** – how does the product or service you're producing solve a problem for your consumers? Make the investors/lenders know how vital your product is.
- ✓ Using **rhetorical questions** will help the investors/lenders think about their own view, opinions and beliefs around what you're discussing with them.
- ✓ Repeat, at various points, the **important phrases** you want your audience to remember.
- ✓ **Rule of 3:** Things are easier to remember in 3s so give all reasons, benefits, advantages etc. in 3s.

- Learning Aim B Pitch a micro-enterprise activity

8 factors: What do I include in my successful professional pitch?



COMPONENT 2 – Planning for and Pitching an Enterprise Activity

- Learning Aim B Pitch a micro-enterprise activity

PROFESSIONALISM IN A PITCH

B



1. Dress Code!

It is most traditional and it is deemed the most smart to wear a suit when you're in business. This said, there are times where businesses have difficult cultures and will wear something different.



2. Greetings!

Once you're smartly dressed and you enter your pitch it's vital to remember you're here to persuade the audience to invest or to lend.

- Greet the audience with a positive greeting (e.g. Good Morning, please to meet you.)
- Introduce yourself and shake the hands of the entrepreneurs.
- Be polite and courteous throughout the pitch – remember you're being persuasive.

How do I deliver a professional pitch on the day?



3. Be Positive. Positivity is infectious!

You should be enthusiastic, excited and smiley – this will radiate to your audience too! Very helpful when you're being persuasive

During the questions stage, welcome them openly, being positive once again.

4. Rehearse your pitch!

It's natural to be nervous.

You don't need to know your pitch word for word, but you do need to know the points you want to get across to your audience. Some people will practice in front of the mirror and some with family and friends – what ever works for you, but you must rehearse your pitch!

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- Learning Aim B Pitch a micro-enterprise activity

MEETING THE NEEDS OF THE AUDIENCE

B

Engaging, involving and catering for your audiences' needs

Engaging your audience

- Firstly you need to should consider your audiences interests
- Relate what you're doing to them
- Example: Cupcakes enterprise – do they have small children? Example: Gym memberships – are they active?
- Be sure to use the techniques which are on the first yellow page to help you engage your audience,
- Also consider asking yes/no questions, ask them to imagine something, use humour or give them a short exercise to complete to engage them.
- Don't have too much writing on a slide, use visual aids and provide handouts if they're necessary.



Post-pitch questioning:

- Before the pitch anticipate what questions may be asked. Think of the key terms from the whole course.
- Listen carefully and ask for the person to repeat it if you're not totally sure what they're asking.
- If there are a number of questions within a question then answer each one at a time. You may need to note something down to prompt you so you don't forget an important item.

Involving your audience

- This gives you the opportunity to involve the audience in what you're pitching – this might be including them in a demonstration of providing them with a sample of what you're demonstrating / pitching.
- Don't let any audience involvement take too much time and make sure it doesn't disrupt the flow of your pitch!
- At the end of the pitch your audience will be involved by asking you questions – usually about what you have said in your pitch



COMPONENT 2 – Planning for and Pitching an Enterprise Activity

FEEDBACK



- **Learning Aim C** Review own pitch for a micro-enterprise activity

Giving Feedback

- The purpose of feedback is to help improvement.
- Giving feedback is a professional skill which should be practised and done well to support the person who you're feedback back to.
- There are two models which you should use when feedback back to your peers: BOOST and SKS

B Give **balanced** feedback of positives and improvements; sandwich improvements with positives.

O Feedback on what you **observed** not what you think about the topic.

O Focus on the **objectives** of the pitch. Don't be personal with the receiver, feedback on their actions/ outcomes.

S Give **specific** examples, to help you, when you're feeding back based on what you observed

T **Time** – give feedback as soon as possible whilst its fresh in both yours and the receivers minds.

SKS model of feedback.

What should the person:

STOP doing, **K**EEP doing and **S**TART doing?

Receiving Feedback

- Receiving feedback is very helpful and can help an entrepreneur (receiving the feedback) make important decisions.
- **In business, your feedback may come from (but not only from)**
 - Employees
 - Customers / Clients
 - Suppliers
 - Stakeholders (such as the community)
- **Effective feedback should help to:**
 - Motivate yourself to improve
 - Understand how others have perceived your pitch
 - Go though a process of learning to progress
 - Improve your performance

