



National Unit specification

General information

Unit title: Contemporary Business Issues (SCQF level 6)

Unit code: HE9E 46

Superclass: AE

Publication date: June 2016

Source: Scottish Qualifications Authority

Version: 01

Unit purpose

The purpose of this Unit is to develop learners' understanding of contemporary business issues through investigation of Small and Medium Enterprises (SMEs) and the business strategies appropriate for SMEs at different stages of the business life cycle. All businesses journey through a life cycle but may deal differently with the stages of the life cycle. This Unit will therefore examine the increasing complexity facing businesses at different stages of the life cycle and how priorities, objectives and functional activity may affect their operation.

Outcomes

On successful completion of the Unit the learner will be able to:

- 1 Explain the features and characteristics of Small and Medium Enterprises.
- 2 Analyse business strategies of Small and Medium Enterprises.

Credit points and level

1 National Unit credit at SCQF level 6: (6 SCQF credit points at SCQF level 6)

Recommended entry to the Unit

Entry to this Unit is at the discretion of the centre. However, learners would normally be expected to have attained the skills, knowledge and understanding required by one or more of the following or equivalent qualifications and/or experience:

- ◆ National 5 Business Management or its component Units

National Unit specification: General information (cont)

Unit title: Contemporary Business Issues (SCQF level 6)

Examples of other such relevant prior learning and experiences would be the development of thinking skills, and the ability to work with others. The Unit would also be suitable for those who have demonstrated or are interested in gaining entrepreneurial and leadership skills.

Core Skills

Opportunities to develop aspects of Core Skills are highlighted in the Support Notes for this Unit specification.

There is no automatic certification of Core Skills or Core Skill components in this Unit.

Context for delivery

If this Unit is delivered as part of a Group Award, it is recommended that it is taught and assessed within the subject area of the Group Award to which it contributes.

The Unit may be delivered as part of the Scottish Foundation Apprenticeship in Business Skills.

The Assessment Support Pack (ASP) for this Unit provides assessment and marking guidelines that exemplify the national standard for achievement. It is a valid, reliable and practicable assessment. Centres wishing to develop their own assessments should refer to the ASP to ensure a comparable standard. A list of existing ASPs is available to download from SQA's website (<http://www.sqa.org.uk/sqa/46233.2769.html>).

Equality and inclusion

This Unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

National Unit specification: Statement of standards

Unit title: Contemporary Business Issues (SCQF level 6)

Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

Outcome 1

Explain the features and characteristics of Small and Medium Enterprises.

Performance Criteria

- (a) Define an SME.
- (b) Explain the key features of an SME.
- (c) Explain the characteristics of a business at each of the five stages of the business life cycle: start up, growth, maturity, renewal and decline.
- (d) Outline the key objectives of a business appropriate to each stage of the business life cycle.

Outcome 2

Analyse business strategies of Small and Medium Enterprises.

Performance Criteria

- (a) Explore the internal and external challenges that businesses may face.
- (b) Explain the role of the functions and activities within a business, and how these change in relative importance, at different stages of the business life cycle.
- (c) Analyse business strategies appropriate for different stages of the business life cycle.

Evidence Requirements for this Unit

Evidence is required to demonstrate that learners have achieved all Outcomes and Performance Criteria.

For Outcome 1, learners will:

- ◆ define what an SME is and explain the features of an SME. Learners must provide an acceptable definition and explain at least three key features.
- ◆ explain the characteristics of a business at each of the five stages of the business life cycle: start up, growth, maturity, renewal and decline. At least two characteristics at each stage will be covered.
- ◆ outline the key objectives of a business appropriate to each stage of the business life cycle. At least two objectives should be provided for each stage and appropriately aligned with the stages.

National Unit specification: Statement of standards (cont)

Unit title: Contemporary Business Issues (SCQF level 6)

For Outcome 2, learners will:

- ◆ explore the challenges businesses face. Learners should explain at least two internal influences, two external influences and explain at least two challenges using a business life cycle model.
- ◆ examine the role of the various functions and activities within a business and how these may change in relative importance at different stages of the business life cycle. Learners must discuss the main functional activities of a business. At least four functional activities should be covered and at least one operational and one support function identified.
- ◆ analyse business strategies appropriate for different stages of the business life cycle. Learners should cover at least two strategies appropriate to a given organisation. Analysis should include an explanation of each business strategy and its expected effect on the organisation.



National Unit Support Notes

Unit title: Contemporary Business Issues (SCQF level 6)

Unit Support Notes are offered as guidance and are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this Unit

This Unit provides learners with the skills and knowledge which will contribute to the Scottish Foundation Apprenticeship in Business Skills. In addition, it may also aid progression to HNC or degree level study.

The Unit is intended to provide learners with an awareness of the decisions and challenges facing business. Small and medium size enterprises account for 99% of business activity in the UK and an understanding of the decisions and challenges facing them should provide learners with a good awareness of the business world. SMEs vary considerably in terms of sector, management, operation and objectives. However, all follow a life cycle. It is accepted that there are many life cycle models and that not all SMEs will follow each model. However, a life cycle approach allows consideration of different businesses across different sectors and learners should examine a range of scenarios.

Outcome 1 will give learners an understanding of Small and Business Enterprise across different sectors e.g. primary through to quaternary. Discussion of start-ups and micro businesses within the context of SMEs and the life cycle should be included to enable learners to gain an understanding of the different needs of businesses and the range of businesses covered by the term SME.

A valid definition of an SME, eg OECD definition, and features such as ownership, control and finance, should be considered. As learners explore the five stage life cycle model they should consider the limitations of the models and why not all businesses pursue growth, eg life style businesses, lack of ambition, satisfied owners etc. The characteristics at each stage could include, for example:

- ◆ Start-Up, eg:
 - Founder
 - Production focus
 - Importance of cash flow
 - Simple structure

- ◆ Growth, eg:
 - Founder/Professional managers
 - Marketing focus
 - cash flow/profitability
 - centralised structure

National Unit Support Notes (cont)

Unit title: Contemporary Business Issues (SCQF level 6)

Outcome 2 requires learners to consider the development of appropriate business strategies utilising appropriate business functions while taking into account internal and external influences and the stage in the business life cycle. The challenges faced will include both internal and external influences. External influences could include economic, financial, geographic, social, legal, political, institutional, technological, competitive situation, markets, etc. Internal influences could include products, location, resources, management, business culture etc. Challenges facing businesses can be further explored by looking at business life cycle models such as Adize and Greiner, eg crises of autonomy, leadership etc. which should enable learners to consider the pressures as a business attempts to grow, on the business, staff and owners.

As the business grows the orientation of the business may change and the need to structure for growth as more specialised/professional staff are required becomes an additional pressure. The contribution of different functions, eg. operations, HRM, marketing including digital marketing, accounts/finance, IT, procurement, etc. should be covered and the importance of the supply chain stressed. Strategies could include partnership, merger, takeover, divestment, etc.

This Unit is aligned to the following National Occupational Standards from Skills CFA:

| | |
|------------|--|
| CFABAA111 | Respond to change in a business environment |
| CFABAA1110 | Prepare, co-ordinate and monitor operational plans |
| CFABAA112 | Contribute to innovation in a business environment |
| CFABAA113 | Explore ideas for innovation in a business environment |
| CFABAG121 | Contribute to decision-making in a business environment |
| CFABAG122 | Make decisions in a business environment |
| CFABAH111 | Support the monitoring and evaluation of trends and events that affect organisations |
| CFABAH122 | Assist in improving organisational performance |
| CFABAH123 | Assist in reviewing organisational performance |
| CFABAI131 | Support organisational decision-making |

Guidance on approaches to delivery of this Unit

Business is a feature of everyone's life. Throughout the world people engage in business activities to design, produce, market, deliver and support a range of goods and services. In addition, investors, consumers and employees depend on the business sector for much of their quality of life. As such, learners should be encouraged to conduct their own research into, and engage with, the local business community via guest speakers, visits, case studies and news articles.

This Unit offers an understanding of contemporary business issues facing small and medium sized businesses. While the Organisation Life Cycle provides a useful basis for exploring these issues, it is the issues, challenges and strategic decisions facing business which are the key to the Unit.

National Unit Support Notes (cont)

Unit title: Contemporary Business Issues (SCQF level 6)

Outcome 1

The Unit requires an understanding of different types of business, and in particular SMEs. This can be developed by considering a range of local businesses, identifying different characteristics, forms of ownership, objectives, sectors, and mapping these businesses at appropriate stages of the business life cycle. Equating it to the human life cycle is a useful start, however, learners should understand the limitations of the model and realise that not all businesses will progress or wish to progress through each stage. The different objectives pursued by SMEs including the objectives of micro-business should be considered.

Outcome 2

Research into local businesses and the local business community provides a base for learner understanding of the internal and external issues, and this can be further reinforced through group work and discussion. Learners could be encouraged to generate their own ideas on how the challenges may vary at each stage of the business life cycle and this should further support an awareness of differences between businesses.

As an SME grows the need for functional specialists and professional managers may increase and the orientation may change from e.g. an operational focus at start-up, a marketing focus at growth and a financial focus at the maturity stage. Learners need to consider how the different functions may contribute to the success of an SME and how the development of these functions may vary between companies and the different stages of the business life cycle. Group discussion, case studies and learner research should help to identify the different strategies available to businesses at each stage.

Guidance on approaches to assessment of this Unit

Evidence can be generated using different types of assessment. The assessment method below is a suggestion only; assessors may identify other methods more suitable for particular learners or delivery circumstances. Assessment could take place at different points throughout or on one assessment occasion.

There are no restrictions on the resources which a learner may have access to during this Unit assessment.

There are also no time restrictions on learners. Learners should be given sufficient time to enable them to complete the assessment task.

This Unit consists of two Outcomes, which progressively develop learners' knowledge and skills. While these may be assessed separately, it is suggested that the Outcomes are holistically assessed using a case study approach. This would require production of a report which addresses a series of questions in which learners apply the knowledge gained.

Centres are reminded that prior verification of centre-devised assessments helps to ensure that the national standard is being met. Where learners experience a range of assessment methods, this helps them to develop different skills that should be transferable to work or further and higher education.

Assessors should ensure themselves of the authenticity of learners' evidence.

National Unit Support Notes (cont)

Unit title: Contemporary Business Issues

Opportunities for e-assessment

E-assessment may be appropriate for some assessments in this Unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at www.sqa.org.uk/e-assessment.

Opportunities for developing Core and other essential skills

In this Unit learners will develop skills to:

- ◆ investigate, integrate and evaluate contemporary business issues.
- ◆ communicate business information and issues using appropriate formats.

This means that as learners are doing this Unit they will be developing aspects of the Core Skills of *Problem Solving* and *Communication*.

In addition, whilst completing this Unit, learners may develop aspects of the following Core Skill where specific learning and teaching approaches are adopted.

- ◆ *Working with Others* — where learners are encouraged to work in groups to research local businesses.

Essential Skills

Through the Outcomes and corresponding Evidence Requirements, this Unit can provide learners with opportunities to develop the following essential skills for life, learning and work:

Enterprise — various aspects of the Unit provides opportunities to learn about the enterprise environment through how small and medium enterprises operate.

Employability — through developing an awareness of the decisions and challenges facing businesses, through self-management when conducting any research, such as into local businesses or to complete assessment tasks such as a report. The completion of this Unit as part of the Foundation Apprenticeship in Business Skills could lead to employment.

History of changes to Unit

| Version | Description of change | Date |
|---------|-----------------------|------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

© Scottish Qualifications Authority 2016

This publication may be reproduced in whole or in part for educational purposes provided that no profit is derived from reproduction and that, if reproduced in part, the source is acknowledged.

Additional copies of this Unit specification can be purchased from the Scottish Qualifications Authority. Please contact the Business Development and Customer Support team, telephone 0303 333 0330.

General information for learners

Unit title: Contemporary Business Issues (SCQF level 6)

This section explains what the Unit is about, what you should know before you start, what you will need to do during the Unit and opportunities for further learning and employment.

This Unit is intended to provide you with an awareness of the decisions and challenges facing business. Business is a feature of everyone's life and throughout the world, people engage in business activities to design, produce, market, deliver and support a range of goods and services. In addition, investors, consumers and employees depend on the business sector for much of their quality of life. Small and medium size enterprises (SME) account for 99% of business activity in the UK and you will gain an understanding of the decisions and challenges facing SMEs which should provide you with a good understanding of many of today's business issues.

SMEs vary considerably in terms of sector, management, operation and objectives, however, all follow a life cycle not too dissimilar from the human life cycle. You will use a life cycle approach to consider different types of SMEs across different sectors to examine the complexity of the issues facing business and how priorities, objectives and functional activity may impact their operation. You will be expected to conduct your own research into these aspects and will have the opportunity to develop your understanding of the issues facing business from guest speakers, visits, case studies and current business news.

There are two outcomes in this Unit. In Outcome 1 you will develop an understanding of different types of SME through consideration of different businesses, including local businesses, to identify different characteristics, forms of ownership, objectives, and sectors. To further your understanding you will consider the different stages of the business life cycle (start-up, growth, maturity, maturity, renewal and decline).

Outcome 2 looks at the challenges facing business taking into account internal and external issues as well as the different stages in the business life cycle. As businesses move through the life cycle, their need for specialised/professional staff and functions changes. You will consider the contribution of different functions, eg operations, HRM, marketing including digital marketing, accounts/finance, IT, procurement, etc to organisational success and the importance of the supply chain in achieving success. Finally, you will analyse the different strategies available to businesses.

Your centre will advise how the assessment may be conducted, but it is likely that the two Outcomes will be assessed together using a business case study requiring you to produce a report, addressing a series of questions.

In addition, you will develop skills to:

- ◆ investigate, integrate and evaluate contemporary business issues.
- ◆ communicate business information and issues using appropriate formats.

This means by doing this Unit you will be developing aspects of the Core Skills of *Problem Solving* and *Communication*. In addition, whilst completing this Unit, you may develop aspects of the Core Skill of *Working with Others* where specific learning and teaching approaches are adopted.

This Unit should provide you with the skills and knowledge required as part of your Foundation Apprenticeship. In addition, it may also allow progress to HNC or degree level.