



Unit D8X1 04 (711)

Plan How to Develop the Business Using the Internet

Unit Summary

More and more businesses are using the internet to carry out business and to market, buy and sell products and services to a wider audience. E-commerce, e-business and e-trading are terms used to describe business on the internet. What is different about this type of trade is that much of the communication happens between computers and there is usually no face-to-face or verbal contact between customers and the business. The internet provides a valuable new form of communication and is a growing source of information that can help people make decisions (eg, where to find information and advice about running the business or that latest developments in technology and which product to buy). Many of the same skills used in any successful business are also needed to carry out business electronically, but other skills are involved (such as using information and communications technology (ICT) and developing and maintaining websites).

You will need to gather information from many different places to develop your business using the internet. This could include: market research, customer and staff surveys and the views of your suppliers; research into what similar businesses are doing with the internet in the UK and abroad; research into the laws relating to e-trading; information about how you currently sell and market the business and how this could be translated into a website; agreements with people and contracts for technical needs, following up enquiries and orders; advice from outside experts (eg, your ICT supplier, web designers, web-hosting services); and existing business plans for sales, marketing, staffing, finance, service provision or production and administration. When you have planned how to develop your business using the internet you will probably have some of the following: an e-business plan that includes, an analysis of the costs and benefits of developing your business using the internet, an action plan that explains how e-trading fits in with other sales and marketing methods, and methods for handling remote sales and responding to customers; a website that is used to build relationships with customers, suppliers and staff; an understanding of the similarities and differences between e-trading and other trading methods; a clear idea of how to measure the success of your e-business.

In order to be assessed as competent you must demonstrate to your assessor that you can consistently perform to the requirements set out below. Your performance evidence must include at least one observation by your assessor.

Achievement of this Unit will provide you with opportunities to develop the following SQA Core Skills:

Communication Intermediate 2

- ◆ Produce well-structures written communication on a complex topic.

Information Technology Higher

- ◆ Using and IT system independently to process a range of information.

Problem Solving Higher

- ◆ Plan, organise and complete a complex task.
- ◆ Review and evaluate a complex problem solving activity.

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Plan How to Develop the Business Using the Internet

I have completed the requirements of this Unit.

Candidate name: _____ **Date:** _____

Candidate signature: _____ **Date:** _____

I can confirm the candidate has completed all requirements of this Unit.

Assessor signature: _____ **Date:** _____

IV signature: _____ **Date:** _____

Assessment centre: _____

You must be able to	Evidence Requirements	Evidence/ Activity Ref No.
<p>1 Produce an e-business plan</p> <p>This means you:</p> <ul style="list-style-type: none"> (a) Research e-business opportunities and market trends for your products and services. (b) Assess how a website could add value to your business. (c) Decide how you will use the internet to reach and service your target market. (d) Research and assess the terms and conditions of different kinds of e-trading. (e) Take advice about e-business planning and e-trading from suitable sources. (f) Assess the issues, costs and benefits of e-trading and decide if it is worthwhile for the business. (g) Assess the skills of your staff and decide what training (if any) is needed. (h) Assess what information and administration systems would be suitable for e-trading. (i) Set targets and prepare forecasts for e-business, in line with the overall aims of the business. (j) Prepare a plan to meet market and sales targets using internet sales methods. 	<p>Evidence of producing an e-business plan in accordance with workplace procedures.</p>	

		Evidence Requirements (cont)	
2	<p>Prepare to trade on the internet</p> <p>This means you:</p> <ul style="list-style-type: none"> (a) Decide what you are going to achieve by when. (b) Decide what the website will do and how you will communicate the business to customers. (c) Decide who will prepare content and assets for the website. (d) Decide how you will market the website. (e) Develop an action plan that includes appropriate timescales for getting the job done. (f) Decide what resources and technical help you will need and arrange for them to be available at appropriate times. (g) Consult others to decide how the website will be launched, monitored and managed. (h) Set up information and administration systems for e-trading. (i) Develop documentation systems and put them into action. (j) Decide how you will monitor customer service including any complaints, comments or suggestions. (k) Decide how you will monitor the plan and avoid any uncertainties in achieving e-business targets. 	<p>Evidence of preparing to trade on the internet in accordance with workplace procedures.</p>	
3	<p>Monitor the success of the website and e-trading activities</p> <p>This means you:</p> <ul style="list-style-type: none"> (a) Regularly keep in contact with the people who run the website and handle online sales and other activities. (b) Monitor progress in achieving the aims and targets of the plan. (c) Identify any problems with the website and e-trading activities and take prompt action to solve them. 	<p>Evidence of monitoring the success of the website and e-trading activities in accordance with workplace procedures.</p>	

		Evidence Requirements (cont)	
3 (cont)	<ul style="list-style-type: none"> (d) Review resources when events differ from those set out in the plan. (e) Assess the effect of e-trading against the e-business plan and the overall aims of the business. (f) Identify and investigate any new opportunities that emerge, and make any changes that are needed to the website or e-trading activities. (g) Provide information on the progress of e-trading to relevant people. 		

Evidence of Performance

Evidence of performance may employ examples of the following assessment:

- ◆ the candidate's reflective account of performance
- ◆ professional discussion (candidates discuss with their assessor how their evidence meets the standards and the discussion is recorded as part of the evidence)
- ◆ recorded oral and written questioning
- ◆ naturally occurring products (eg, these could include — business plans, e-mails, letters, faxes, personal notes and action plans)
- ◆ evidence from relevant, independent and authoritative experts such as business advisors, business mentors, accountants, solicitors or bank staff
- ◆ evidence from prior experience and learning that clearly matches the requirements of the standards

Candidate name:		Assessor initials/date
No	Activity	
1		
2		
3		

You need to know and understand		Evidence
Evidence of knowledge and understanding should be collected during observation of performance in the workplace. Where it cannot be collected by observing performance, other assessment methods should be used.		
Information and advice		
K1	Where to find information about e-business opportunities and market trends (eg, business associates, embassies, market research, trade journals, marketing specialists, government departments, export agents, and government initiatives).	
K2	Who can provide advice about planning and running e-businesses (eg, specialist technology consultants, website developers and web-hosting services).	
Marketing and sales		
K3	What are the costs and benefits of different marketing and sales methods for e-trading	
K4	How to link different methods of sales and marketing so that customers know how to reach you using the internet	
K5	How to communicate information about products and services and provide customer service online to all potential customers	
K6	How ethical, cultural, physical abilities and style differences in markets affect e-trading	
E-trading		
K7	The trading options that exist on the internet include: <ul style="list-style-type: none"> ◆ trading communities and marketplaces for similar businesses or businesses with similar customers (eg, shopping malls, sites run by trade associations, sites aimed at particular market sectors or types of business) ◆ information or brochure (flat) websites that give information to customers through pages with text and graphics or animation ◆ more complex or interactive (dynamic) sites that let customers place orders, fill in forms (eg, giving their details and placing orders together with other information about their likes and interests) or added value functions (such as processing credit card transactions, carrying out calculations, finding addresses from postcodes and house numbers, generating online quotes or menu ordering systems) ◆ integrated sites that are linked to live data in the business (such as stock levels and ordering systems) 	
K8	What terms and conditions apply to e-trading within the UK, EU and worldwide (the terms and conditions could relate to payment, consumer rights, the domain name, legal liability, trading standards, return of goods and international codes of practice).	
K9	How you will get payment from customers buying through the internet.	
K10	What the likely costs and benefits of developing the website are.	
K11	How to analyse the extra costs and benefits of e-trading compared to current business needs. This could include: <ul style="list-style-type: none"> ◆ costs (such as training, specialist staff, research, technical back-up and risk) ◆ benefits (such as larger markets, increased sales, better market position, cash flow, profit and increased competitiveness) 	

You need to know and understand (cont)		Evidence
K12	How e-trading affects your long-term plans and goals.	
K13	What the risks of not e-trading are.	
Planning		
K14	Who to involve in decision-making (eg, partners, backers, staff, customers and suppliers).	
K15	What aims and targets should be set in terms of quality, timescales, customer service, sales volume, profit margins and repeat business.	
K16	An e-business plan includes the following: <ul style="list-style-type: none"> ◆ an assessment of the market, including customer requirements, charging mechanisms and structures ◆ sales and gross margin forecasts ◆ cost of start-up and ongoing resources ◆ ongoing budgets and financing options ◆ the electronic marketing mix (in other words, product, price, promotion, staff and distribution channels) ◆ an assessment of legal and ethical factors ◆ high and low forecasts (basic risk assessment) ◆ savings to the business ◆ an action plan with appropriate timescales. 	
K17	What effect e-trading will have on the business's existing ICT system.	
Preparation		
K18	The aims of e-trading in terms of geographical coverage and how you will deal with demand from outside your chosen geographical area, quality, timescales, image to client, customer service, sales volume, profit margins and repeat business.	
K19	What website features and issues need to be taken into account. This could include: <ul style="list-style-type: none"> ◆ the organisation (infrastructure) of the site – such as what the customer sees (front end) what goes on to let them use the site (back end), eg, to place orders and pay for goods ◆ the different types of customers (eg, able-bodied, disabled, English-speaking, non-English-speaking, old, young, literate, non-literate) ◆ the number of people visiting the website (the number of 'hits') and how this is counted ◆ how quick and easy it is for customers to use the website and place an order (bandwidth) ◆ where to place your site (web-hosting) and what web-hosting services you will need ◆ how to make it easy for customers to find it (site descriptions and key words) using search engines or links to similar sites 	
K20	What aims and design concepts would be suitable for the website in terms of aims (eg, presenting the business and its image, providing information about products or services and taking orders and processing payments) design (eg, style, colour, using images and animation, using the same artwork and images that are used for other marketing, to put across the business identity).	

You need to know and understand (cont)		Evidence
K21	How to prepare detailed outlines and information about products or services (content) with photographs of the business and its products or services (assets).	
K22	How to market the website using current and new methods and who will do it (eg, using the internet and traditional methods).	
K23	How to market-test the website with current and potential new customers before it goes live online.	
K24	What the likely costs and benefits of developing the website are.	
K25	How to break larger aims into activities that can be achieved and measured.	
K26	What sort of timescales are required for putting the e-business plan into practice.	
K27	What extra resources will be needed for e-trading (eg, finances, technology and equipment, products, people, premises, marketing and administration), how you will get them and how much they will cost.	
K28	What technical skills will be needed for e-trading (eg, website developers, internet service provider or web-hosting service, new staff or training for existing staff, and upgrading and managing ICT systems).	
K29	How to communicate with people, how to listen to and deal with their ideas, how to inspire people and encourage them to change.	
K30	What information and administration systems would be suitable for e-trading (eg, for sales order processing, packaging and delivery, client databases, payment and accounting systems) and will these processes be linked directly to existing ICT systems.	
K31	How to develop distribution methods that will cover the planned geographical area and handle out-of-area orders (such as, elsewhere in the UK, EU and other overseas customers).	
K32	How security (such as client data) and protection from viruses will be maintained, and any problems dealt with.	
K33	How to set up payment methods and accounts for customers or make changes to existing methods.	
K34	What arrangements are suitable for monitoring the progress of the plan (eg, spoken or written reports, briefing sessions or meetings).	
K35	What areas of the action plan are open to change (eg, deadlines, higher or lower sales figures, more or less demand from customers).	
K36	How to plan ways of dealing with any areas that are open to change (contingency planning).	
Monitoring		
K37	How to judge the success of e-business and e-trading (eg, getting the business name known, meeting marketing and sales targets, providing good customer service, cash flow and profitability).	
K38	What problems there could be with the website (eg, errors in the content, software errors, technology breakdown, out-of-date information, lack of support from web-hosting service and breaches of security).	
K39	What problems there could be with e-trading (eg, not enough resources, changes in market conditions, technology, competitor activity, laws or regulations).	
K40	How and when to review resources (eg, for product, staff, finance, equipment, materials, marketing and administration).	

You need to know and understand (cont)		Evidence
K41	How to identify new opportunities and what they are likely to involve (eg, hardware and software developments, new markets and marketing methods, relationships with similar traders).	

Notes/Comments

Assessor signature: _____ **Date:** _____