



National Open
College Network

Qualification Guide

for
Providers/Tutors/Assessors

National Open College Network
Intermediate Certificate in Running a Small Business

Accreditation No: 100/2720/8

NOCN Qualification No: AE5ICQ0001

All providers offering this qualification must have approval to run the qualification and have access to the External Assessment Pack for the Qualification and the Centre Administration Handbook. These are available from your OCN.

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CONTENTS

| Qualification Guide for Providers/Tutors/Assessors | Page No. |
|--|-----------------|
| CONTENTS | 2 |
| Coding and Numbering System for Units | 3 |
| Introduction To The Qualification | 5 |
| Key Skills | 8 |
| Approval to Deliver The Qualification | 9 |
| Achieving the Qualification | 10 |
| Quality Assurance | 11 |
| Assessment | 13 |
| Units | 16 |
| Evaluating Ideas for a Small Business | 17 |
| Finding and Keeping Your Customers | 31 |
| Money Management for a Small Business | 39 |
| Networking and Support for Small Businesses | 50 |
| Legal Requirements For Running a Small Business | 57 |
| Finding and Keeping Your Staff | 65 |
| Supporting a Business Using Information Communication Technology | 76 |
| External Assessment | 84 |

Coding and Numbering System for Units

Intermediate Certificate in Running A Small Business

National Qualification Accreditation Number: 100/2720/8

Accreditation Start Date: 01/11/2002

Accreditation End Date: 31/10/2007

Certification End Date: 31/10/2009

| NOCN Unit Code | Unit Title | Level | NOCN 10 Hour Credit Value | Accredited Units: Unite Number |
|----------------|--|-------|---------------------------|--------------------------------|
| AE42QQ006 | Evaluating Ideas for a Small Business | Two | 6 | L/101/6843 |
| AE52QQ011 | Finding and Keeping Your Customers | Two | 3 | R/101/6844 |
| AE52QQ012 | Money Management for a Small Business | Two | 6 | Y/101/6845 |
| AE52QQ013 | Networking and Support for Small Businesses | Two | 3 | D/101/6846 |
| AE52QQ014 | Legal Requirements for Running a Small Business | Two | 3 | H/101/6847 |
| AE52QQ015 | Finding and Keeping your Staff | Two | 3 | K/101/6848 |
| AE52QQ016 | Supporting a Business Using Information Communication Technology | Two | 3 | M/101/6849 |

The National Open College Network (NOCN)

The National Open College Network is the UK's foremost provider of accreditation services for adult learning. Ever since its foundation, NOCN has committed itself to promoting and supporting wider access to high quality, lifelong learning opportunities and to formal recognition of learners' achievements. In doing so, NOCN believes that the needs of learners are paramount and that meeting these needs can help to create a more equitable society.

NOCN is a major national qualification awarding body, subject to regulation by QCA (in England), ACCAC (in Wales) and CCEA (in Northern Ireland). Some NOCN qualifications and services are also available in Scotland.

NOCN offers qualifications from Entry Level to Level Three/Advanced in a wide range of subjects and areas. A number of qualifications at Level Four are also being developed. All are designed to be suitable for adults and for anyone for whom more traditional qualifications are unsuitable. NOCN qualifications enable learners to achieve specific unit credits for their achievements and to accumulate these credits towards the achievement of the full qualification. Above all, NOCN qualifications are designed to be accessible and to support the development of skills and knowledge that enable people to participate in work, in their communities or in further learning.

The National Open College Network exists to promote and support regional Open College Networks (OCNs) in developing and widening access to high quality and flexible education and to training and learning in any context, particularly for learners who have benefited least from formal provision. NOCN ensures that there is a quality assured, effective and comprehensive framework through which individual licensed OCNs can consistently award credit for learner achievement and provide access to NOCN national qualifications.

Open College Networks (OCNs)

On behalf of NOCN, OCNs provide the quality assurance arrangements for NOCN qualifications. You will be working closely with your local OCN in delivering these qualifications. A list of OCNs and contact addresses can be found on www.nocn.org.uk.

OCNs are locally managed membership organisations which provide credit awards for a wide range of learning taking place in centres from all sectors of education and training. The OCN accreditation framework is particularly designed to address the needs of learners whose achievements have not been formally recognised or have remained outside the existing qualification framework.

OCNs operate on the basis of partnership between different sectors of education and training. They bring together a range of organisations that either provide, or are concerned with, learning opportunities for adults and young people.

Open College Networks operate throughout England, Wales and Northern Ireland.

INTRODUCTION TO NOCN INTERMEDIATE CERTIFICATE IN RUNNING A SMALL BUSINESS

Rationale

The National Open College Network (NOCN) Intermediate Certificate in Running a Small Business is designed to be accessible and to offer a quality assurance mechanism to underpin the practical skills, knowledge and understanding required when setting up and operating a successful and sustainable small business.

The UK Government agency, Small Business Service (SBS), was designed specifically to bring together all support for small businesses under one umbrella. The SBS was launched in April 2000 in order to co-ordinate business support to create a single high-volume information and advice gateway to a target audience of 3 million businesses.

The development of the NOCN Intermediate Certificate in Running a Small Business qualification fits well with the Small Business Service Research Strategy 2001 - 2003, which aims to help small businesses to:

- Realise their potential.
- Promote world-class business support services to enhance the performance of small businesses with growth potential.
- Promote enterprise across society and particularly in under-represented and disadvantaged groups.
- Achieve the highest standards of service delivery and provide value for money.

“The Small Business qualification is a valuable tool for any small business owner, or those thinking about setting up in business. The Federation of Small Businesses in Northern Ireland believes that this qualification will be an aid to business start up survival. Small business owners are faced with a range of issues, which cause them to fire fight and their energy is channelled often in too many different directions. It is hoped that this structured qualification focuses the mind of business owners in a structured way which will enable the benefits of their experience to aid the development and stability of their business.”

David Shaw, Regional Vice Chairman.

Similarly this qualification will support Small Business development in Wales. Learning Is for Everyone – the Welsh Office Green Paper identifies SMEs as the backbone of the Welsh economy and identified that the sector needs the basic technical and other skills to give business the competitive edge to ensure success in this sector. Paragraph 16 of the Green Paper specifically identifies the importance of managerial skills to the success of SMEs in Wales, which this qualification will support.

In its corporate strategy, ELWA – the National Council for Education and Learning in Wales, identified that a key issue is the lack of time and resources available to SMEs. The unit based structure of this qualification, alongside the ability to choose units appropriate to the SME will begin to address this issue. ELWA particularly identified a need to address the voluntary and community sector SME.

NOCN, through its OCNs, has over 3,000 centres across the UK which may deliver this qualification. Any centre wishing to deliver the qualification must demonstrate that it meets additional requirements for programme delivery, as well as the qualification specification and assessment requirements. These additional requirements include expertise, resourcing, curriculum delivery, learner support and internal quality assurance and development strategies. NOCN has wide ranging experience in programme delivery approval and brings this expertise to the management of the delivery of the NOCN qualifications.

Target Group

The NOCN Intermediate Certificate in Running a Small Business has been developed for:

- Small businesses at the point of start-up.
- Small businesses who wish to develop their existing business.
- Anyone who seeks to gain a firm understanding of good business working practice.
- Those individuals who are thinking of starting up their own small business.
- Those individuals who are at the point of business start-up.
- Those individuals who wish to develop an established small business.
- Sole traders.
- Owner/managers.
- Groups of people who wish to set up a co-operative enterprise.

Learners may work in a variety of organisations and settings.

Progression Opportunities

The NOCN Intermediate Certificate in Running a Small Business is at Level Two of the National Qualifications Framework. The qualification content relates to the Small Firms Enterprise Development Initiative (SFEDI) standards. It provides a significant amount of the skills, knowledge and understanding that underpins occupational competence in the Small Business Sector. The qualification also underpins higher level Occupational Awards such as the NVQ Level Three in Business Start-up, the ILS Certificate for Owner Managers and the Chartered Management Institute Certificate in Business Start-Up.

The NOCN Intermediate Certificate in Running a Small Business relates academically to GCSE Business Studies and learners will be able to progress to A Level Business Studies.

Qualification Aims

The aim of the NOCN Intermediate Certificate in Running a Small Business is to enhance the sustainability of small owner managed enterprises of 0-5 employees.

The qualification aims to:

- Instil confidence and encourage the motivation of individuals who are setting up and running very small enterprises.
- Establish a flexible training framework for owners of Small Businesses which is practically based and can be accessed through units of achievement that can be achieved separately or accumulated into a nationally recognised qualification.
- Raise participants' awareness of essential business issues surrounding the setting up and running of a small business.
- Help participants put in place policies and procedures for their small businesses that will optimise their performance.
- Provide horizontal and/or vertical progression routes to other appropriate provision and/or qualifications.
- Provide benchmarks against identified best practice in the setting up and running of a small business.

Curriculum Time

The qualification is awarded to learners achieving the five compulsory units and one optional unit.

Compulsory Units

- Evaluating Ideas for a Small Business
- Finding and Keeping Your Customers
- Money Management for a Small Business
- Networking and Support for Small Businesses
- Legal Requirements for Running a Small Business

Optional Units

- Finding and Keeping Your Staff
- Supporting a Business Using Information Communication Technology

Of the five compulsory units, Evaluating Ideas for a Small Business and Money Management for a Small Business have recommended guided learning times of 60 hours each. The other five units, compulsory and optional, have a recommended guided learning time of 30 hours each. The total number of recommended guided learning hours to achieve the full qualification is 240 hours.

Restrictions on Learners Entry

The NOCN Intermediate Certificate in Running a Small Business is designed to allow the widest possible access to learners. There is no restriction on learner entry to this qualification.

Learners With Particular Requirements

Assessment within the NOCN Intermediate Certificate in Running a Small Business is designed to be accessible and inclusive. The criterion referenced approach in the units promotes flexibility in assessment methodology which is appropriate and rigorous for individuals.

Through the process of programme approval, NOCN ensures that the requirements of learners with particular needs in relation to unit assessment are met. The arrangements made by the provider are scrutinised through the processes of approval and monitored through moderation. Specific details are outlined in the programme approval document, logged in approval reports as appropriate and this documentation is used for moderation and monitoring. Moderators are specifically required to comment on actual delivery in relation to approved delivery and report to NOCN, through OCNs, on this.

For those learners wishing to achieve the full qualification, the requirements of external assessment must be achieved.

Guidance on making arrangements for learners with special assessment needs are outlined in the Administration Handbook for Centres.

KEY SKILLS

Opportunities for learners to develop and evidence achievements in Key Skills are inherent within the units of the Qualification.

The opportunity to demonstrate coverage of key skills is identified in the grid below:

| NOCN Intermediate Certificate in Running a Small Business Unit Title | Application of Number Level Two | Communication Level Two | Information Technology Level Two |
|---|--|--------------------------------|---|
| Supporting a Business Using Information Communication Technology (L.O. 1-6) | | | IT2.1, IT2.2 and IT2.3 |
| Money Management for a Small Business (L.O. 1-5) | N2.1, N2.2 and N2.3 | | |
| Evaluating Ideas for a Small Business (L.O.3, 4, 5 & 6) | | C2.2, C2.3 | |

| NOCN Intermediate Certificate in Running a Small Business Unit Title | Improve Own Learning and Performance Level Two | Working with Others Level Two | Problem Solving Level Two |
|---|---|--------------------------------------|----------------------------------|
| Legal Requirements for Running a Small Business | | | PS.2.1, PS2.2, PS2.3 |
| Finding and Keeping Your Customers | | WO2.1, WO2.2 | |
| Networking and Support for Small Businesses | | WO2.2 | |
| Finding and Keeping your Staff | | | PS.2.1 |

APPROVAL TO DELIVER THE QUALIFICATION

The qualification has been developed to support providers in responding to learner need and to offer accreditation that recognises smaller steps toward the achievement of the qualification. This qualification, or individual units of the qualification, must be embedded in an OCN approved learning programme. The approved learning programme may offer locally accredited units as well as units of the qualification. Your local OCN will work with you to enable the full qualification, or individual units from the qualification, to be embedded in a variety of curriculum settings suitable for the target group of learners.

It is NOCN's intention that the qualification and individual units from the qualification are made widely available to promote access and achievement for learners. The OCN standard approval and quality assurance processes will apply. In summary, the OCN will:

- Provide curriculum support and advice.
- Approve the details of your proposals for the delivery of the qualification or units of the qualification.
- Approve the details of your internal quality assurance arrangements.
- Appoint an external moderator for the approved programme within which the qualification or units of the qualification are delivered.
- Verify the results of internally assessed tasks through external moderation.
- Verify the award of credit for units of the qualification through external moderation.
- Provide unit and qualification certification for learners.

Please get in touch with your OCN for further advice and support to deliver this qualification.

ACHIEVING THE QUALIFICATION

The NOCN Intermediate Award in Running a Small Business consists of **Five Compulsory** Units and **Two Optional** Units.

To meet the requirements of the qualification a learner must achieve twenty one unit credits from the Compulsory Units and three unit credits from the Optional Units. A total of twenty four unit credits must be achieved. In addition, the learner must achieve the external assessment requirement for the qualification.

Compulsory Units

| Unit Code | Unit Title | Level | 10 Hour Credit Value | Accredited Units: Unit Number |
|-----------|---|-------|----------------------|-------------------------------|
| AE42QQ006 | Evaluating Ideas for a Small Business | Two | 6 | L/101/6843 |
| AE52QQ011 | Finding and Keeping Your Customers | Two | 3 | R/101/6844 |
| AE52QQ012 | Money Management for a Small Business | Two | 6 | Y/101/6845 |
| AE52QQ013 | Networking and Support for Small Businesses | Two | 3 | D/101/6846 |
| AE52QQ014 | Legal Requirements for Running a Small Business | Two | 3 | H/101/6847 |

Optional Units

| Unit Code | Unit Title | Level | 10 Hour Credit Value | Accredited Units: Unit Number |
|-----------|--|-------|----------------------|-------------------------------|
| AE52QQ015 | Finding and Keeping your Staff | Two | 3 | K/101/6848 |
| AE52QQ016 | Supporting a Business Using Information Communication Technology | Two | 3 | M/101/6849 |

External Assessment

The external assessment is in the form of a Business Idea Analysis in which the learner consolidates the knowledge and understanding that has come from the five Compulsory Units.

Assessment Summary

To achieve the qualification the learner must achieve the required number of credits and successfully complete the external assessment.

QUALITY ASSURANCE

General Information

All providers wishing to deliver the NOCN qualification, or units of the qualification, will need to demonstrate the ability to manage and deliver the units and/or the qualification including adherence to quality assurance and assessment regulations.

Providers wishing to offer the qualification will need to demonstrate that tutors are in the process of seeking endorsement/or have been endorsed against the knowledge and skills requirements of the Level Four business support standards.

The Open College Network standard quality assurance arrangements and requirements will apply and include the following:

Internal Moderation – carried out by the centre delivering the qualification or units of the qualification

The internal assessment process is subject to internal moderation in order to monitor the decisions of assessors. This means that the work of assessors is monitored through Internal Moderation, to ensure that:

- Internally set assessments meet the published benchmark
- Assessment judgements conform to agreed standards

Internal moderation is critical to the success of this qualification, including the maintenance of national standards. Internal moderation will need to be consistent with the assessment methodology of both the internal and external assessment requirements. NOCN recommends that the centre's internal moderator should hold the NOCN Internal Moderators Award or be working towards achieving it.

Internal moderators of this qualification should have occupational experience and be working towards or have completed the NOCN Staff Development Award for Internal Moderators or the TDLB D34 unit.

Key Responsibilities of the Internal Moderator

- Sampling assessment
- Verifying assessment
- Supporting and providing feedback to assessors
- Identifying good practice
- Liaising with NOCN External Moderators
- Identifying training and development requirements
- Maintains accurate and up to date records of internal moderation processes

Guidelines for Internal Moderation Sampling

- The overall sample should be equal to the square root of the number of learners or a minimum of five.
- All methods of assessment must be sampled.
- The overall assessment sample should be drawn from across all tutors/assessors responsible for delivering the qualification.
- Assessment samples must cover all units of the qualification.

External Moderation – carried out by a moderator appointed by NOCN through the local OCN

External Moderators will be appointed by NOCN through its licensed OCNs' and will be fully conversant with the subject area and the assessment requirements for the qualification.

External moderators of this qualification should have occupational experience and be working towards or have completed the NOCN Staff Development Award for External Moderators or the TDLB D35 unit.

Each centre will be subject to external moderation. The role of the External Moderator includes the following:

- Ensuring that internal moderators are undertaking duties satisfactorily.
- Monitoring internal quality assurance and the sampling of assessment activities, tasks, methods and recording.
- Acting as a source of advice and support.
- Promoting best practice.

Key Responsibilities of the External Moderator

- Ensuring compliance with the qualification specification and assessment requirements.
- Ensuring approved centre and programme approval details are followed.
- Assessing the quality of the learner experience.
- Contributing to standardisation activity.
- Reporting to NOCN on the outcomes of external moderation in relation to the maintenance of standards.
- Verifying achievement for unit certification.

External Assessment

External Assessors are appointed by NOCN. The external assessment pack for this qualification and the NOCN Administration Handbook for Centres provides further details on the centre management and administration of external assessment. In each case, external assessments are processed through the local OCN.

Centres are required to forward external assessments to their OCN. At no time, must external assessments be forwarded directly to the external assessor.

ASSESSMENT

The qualification is awarded to learners who meet the full requirements for both internal and external assessment. Units of the qualification are achieved through internally set tasks which are internally marked and externally moderated. In addition, learners are required to undertake the externally set task in order to fulfil the requirements for the achievement of the qualification. The externally set task will be made available to assessors through their OCN as a part of the process of approval to deliver the qualification.

Achieving Units of the Qualification

Units of the qualification can be separately achieved and certificated towards the qualification. Unit Credit can be achieved by learners who are undertaking learning programmes which have been designed to embed the qualification, or units of the qualification, within the programme. Only the specific units from within the qualification may count as unit credit towards the achievement requirements of the qualification.

Devising Tasks For Unit Assessment

Individual unit achievement is assessed through internally set and marked tasks. Centres are required to devise their own tasks, which will be internally marked.

Unit assessment may comprise a single task or a series of tasks as long as all the learning outcomes within a unit are covered. Tasks may assess outcomes from more than one unit.

Internally set and marked tasks are to be benchmarked against the published benchmarks in this guide. The benchmark assessments in this guide should be scrutinised by assessors prior to devising their own assessment tasks. Assessors may choose to use the published benchmark tasks in this guide if they prefer.

A variety of approaches to tasks is desirable, for example, written work, short answer questions, practical work and oral presentation.

In designing the tasks, assessors should clearly identify the achievement criteria for the tasks.

The Benchmark Assessments provided in this guide can be used for the actual assessment of the units. However, tutors are required to ensure that these tasks are appropriate. Case studies used in the assessments must be regularly updated and always be appropriate to the learner cohort.

Completing Tasks

Assessors are responsible for setting tasks when they feel that students are ready to complete them successfully. Tasks are devised for assessment, not teaching and it is essential for assessors to ensure that each learner's work is authentic, i.e. that is genuinely their own work.

Tasks for different units may be completed in any order, although Centres will be expected to administer the tasks in a logical sequence.

Marking Tasks

Each task must be assessed against the achievement criteria identified for it and judged to be either achieved or not achieved. Where a series of tasks is set, learners must demonstrate the achievement of the required standard in all tasks, in order to achieve the unit. Units are either achieved or not achieved.

Recording Achievement

To record a learner's performance in each unit, it is expected that a task assessment sheet will be completed for each learner's assessed work. This assessment sheet should record the learner's performance against the achievement criteria for the tasks.

Assessments will be internally and externally moderated. The external moderator will report on the adequacy of assessment tasks in relation to the published benchmark.

The assessment methods for units within this Intermediate Certificate in Running a Small Business are indicated below. Other methods of assessment may also be used.

| Unit Title | Method of Assessment |
|--|---|
| Evaluating Ideas for a Small Business | Various methods including question and answer, worksheets, pro-formas, checklists, oral presentations, skills audit. |
| Finding and Keeping Your Customers | Various Methods including Question and answer, worksheets, pro-formas, worksheets, checklists, SWOT analysis, oral presentations, product profiles. |
| Money Management for a Small Business | Various methods including question and answer, pro-formas, worksheets, calculations |
| Networking and Support for Small Businesses | Various methods including question and answer, pro-formas, worksheets, checklists, skills audits |
| Legal Requirements for Running a Small Business | Various methods including question and answer, pro-formas, worksheets, checklists |
| Finding and Keeping Your Customers | Various methods including question and answer, pro-formas, worksheets, checklists, role-play, skills audits |
| Supporting a Business Using Information Communication Technology | Various methods including ICT, pro-formas, worksheets, checklists |

Assessment Evidence – Units

The evidence for unit assessment may be presented within a portfolio for the purposes of external moderation. The portfolio may include a range of appropriate items of assessment evidence, such as:

- Tutor assessment of discussion/observations
- Task based assessments
- Action plans/evidence of planning activity
- Written exercises
- Reports
- Leaflets
- Evidence of interviews and peer assessment

Units

| Unit Title | Page Number |
|--|--------------------|
| Evaluating Ideas for a Small Business | 17 |
| Finding and Keeping Your Customers | 31 |
| Money Management for a Small Business | 39 |
| Networking and Support for Small Businesses | 50 |
| Legal Requirements for Running a Small Business | 58 |
| Finding and Keeping Your Staff | 66 |
| Supporting a Business Using Information Communication Technology | 77 |

Each unit of the qualification is presented as follows:

Unit Aims - a summary of the aims of the unit.

The Unit - made up of a title, level, Credit Value, learning outcomes and assessment criteria. An NOCN unit code and a national accreditation number also appear in the unit specification.

Benchmark Assessment – sample tasks for use by tutors/assessors in order to establish what an assessment task should cover and to support standardisation in internally set and internally marked assessments.

Qualification Title: Intermediate Certificate in Running a Small Business

Unit Title: Evaluating Ideas for a Small Business L/101/6843

Level: Two

10 Hour Credit Value: 6

Unit Status: Compulsory

Unit Aims

To enable the learner to:

- Assist participants to assess the viability of a business idea.
- Identify the skills required to run a small business.
- Understand the different structures of a business.
- Understand the basic financial and legal requirements for establishing and running a small business.

UNIT TITLE: Evaluating Ideas for a Small Business
L/101/6843
LEVEL: Two
10 HOUR
CREDIT VALUE: 6
UNIT CODE: AE42QQ006

| LEARNING OUTCOMES | ASSESSMENT CRITERIA |
|--|---|
| The Learner should be able to: | The learner has achieved this outcome because s/he can: |
| 1. Consider personal and practical matters in relation to the option of self-employment. | 1.1 Realistically and honestly assess their suitability for self-employment. 1.2 Relate their existing skills, experience and interests to the general skills and personal attributes that are needed to run a small business. |
| 2. Develop a business idea and assess its potential for success. | 2.1 Provide a strong, realistic argument for a proposed business idea stating the aims and objectives of the business. 2.2 Provide a convincing argument for the need for a specified business and their ability to run it successfully. |
| 3. Formulate a development plan from an initial business idea. | 3.1 Accurately and realistically research the viability of their business idea. 3.2 Realistically and accurately assess what costs their business will have to cover in order for self-employment to be a viable option. 3.3 Present the information in a coherent format using a reasonable degree of analysis on how a specified business will operate. 3.4 Use valid and reliable research findings to help them reach their conclusions. |
| 4. Determine appropriate structure for a business. | 4.1 Correctly describe the different types of structure for a business. 4.2 Assess the advantages and disadvantages of each in relation to their business idea. |
| 5. Understand preliminary financial and legal requirements for establishing a business. | 5.1 Make a realistic assessment of how much finance is needed to start a specified business and how much income they need to generate over a set period of time. 5.2 Identify what is required to manage the finances of a specified business. 5.3 Accurately identify the legal obligations that are required to operate the particular structure of a specified business. |

BENCHMARK ASSESSMENT

| | |
|-----------------------------|--|
| Qualification Title: | NOCN Intermediate Certificate In Running A Small Business |
| Unit Title: | Evaluating Ideas for a Small Business L/101/6843 |
| Unit Status: | Compulsory |

Introduction

There are three key areas in this unit which will be assessed. Each area can be assessed in ways that suit the context in which the learning takes place. In order to support standardisation in internally set and marked assessments, Benchmark Assessments are provided as the standard of activities which should be used to assess the unit. The Benchmark Assessment should be scrutinised before assessors devise their own assessment activities in order to establish what they should cover. The assessment activities can take a variety of approaches but should cover all the outcomes within the unit.

Unit Aims

To enable the learner to:

- Assist participants to assess the viability of a business idea
- Identify the skills required to run a small business
- Understand the different structures of a business
- Understand the basic financial and legal requirements for establishing and running a small business

Assessment Activities

Three benchmark assessment tasks assess each of the three key areas. Assessors can devise other activities but the following benchmarks should inform any assessment activities devised to assess this unit.

Tutor Guidance

| Key Areas For Assessment | Bench mark Assessment | Evidence |
|--|---|--|
| <p>Identification of personal and practical considerations when starting up and/or running a small business. (LO 1)</p> | <p>The Learner will make an assessment of their personal and practical skills and aptitudes for undertaking a small business venture. (Task One)</p> | <p>The evidence for this task can take the form of a personal audit through the use of worksheets that explore the learner's potential for an entrepreneurial venture. Assessors may choose to use the published benchmarked task. If they prefer, centre devised worksheets can be used, but should be benchmarked against the published task included in this Guide. (Minimum 500 words)</p> |
| <p>Developing the right structure for the business (LO 4)</p> | <p>The learner will identify the different types of business structure and decide upon the most appropriate structure for their business idea. The learner will also identify the basic legal requirements of setting up a small business. (Task Two)</p> | <p>The evidence for this task can take the form of tutor assessed question and answer sheets, worksheets or cloze exercises. Evidence provided should either be the published task or should be benchmarked against this task. (Minimum 250 words)</p> |
| <p>Developing the business idea (LO 2, 3 and 5)</p> | <p>The learner will generate a business idea based on identified skills and aptitudes. The learner will address the key issues required for setting up and running a small business. (Task Three)</p> | <p>The evidence for this task can take the form of a Development Plan. This can be a written plan using a published pro-forma task (minimum 500 words) or can be an oral presentation which should be of at least 15 minutes duration and should include all the elements required in the published task.</p> |

ASSESSMENT TASK

Qualification Title: NOCN Intermediate Certificate In Running A Small Business

Unit Title: Evaluating Ideas For A Small Business L/101/6843

Unit Status: Compulsory

Name:

Task One: Identify Personal and Practical Considerations when Setting Up a Business

AIM: This part of the task will help you decide how suited you are to self-employment. It requires you to take an honest look at the kind of person you are, the personal skills which you think you possess and the commitments you have in your life. You may want to check out your answers with someone who knows you well.

1: How self- disciplined am I? In what areas of my life in the past have I shown self-discipline?

2: How well do I cope under stress? What is the condition of my general health?

Task One: (Continued)

3: What support can I expect from those people who are closest to me, i.e. friends, partners, family etc?

4: If the business requires me to put in long hours and to make sacrifices in my life (for example, holidays), how will this impact on me and those people who are close to me?

5: How well do I learn from my mistakes and how easily do I take advice?

Task One: (Continued)

| | |
|--|--|
| <p>AIM: This part of the task enables you to generate a business idea based on a close examination of your personal and practical skills. It will help you assess the potential success of the business idea.</p> | |
| <p>Personal/Practical Skills</p> | <p>How they help the business</p> |
| <p><i>Think of the subjects and/or skills you liked, were good at and studied at school, college, university or developed in other areas of your life.</i></p> | <p><i>Which of the subjects or skills help you with your business ideas? Explain why?</i></p> |
| <p><i>What jobs have you done in your life? - include part-time jobs when you were at school and any on-the-job training in which you have been involved.</i></p> | <p><i>In what way can you use the experience you have gained from these jobs to help you to operate your business idea?</i></p> |
| <p><i>What hobbies or interests do you have or have you had in the past?</i></p> | <p><i>How could the skills you gained from these hobbies relate to your business idea?</i></p> |

Task Two: Having The Right Structure For Your Business

AIM: This task will enable you to decide what structure your business will have and assess the benefits of your chosen structure.

There are four main structures of a business, these are:

- Sole Trader
- Partnership
- Limited Company
- Community or Co-Operative Business

1. Take your business idea and think of the advantages and disadvantages of each in relation to your idea.

| Sole Trader | Partnership |
|---|---|
| <p>Advantages:</p> <p>Disadvantages:</p> | <p>Advantages:</p> <p>Disadvantages:</p> |
| Limited Company | Community Business Or Co-Operative Business |
| <p>Advantages:</p> <p>Disadvantages:</p> | <p>Advantages:</p> <p>Disadvantages:</p> |

2. What structure will your business take and state clearly why is this the most appropriate structure for your business?

Task Two: (Continued)

LEGAL:

The legal structure of my business is: Please tick appropriately.

Sole Trader

Partnership

Limited Company

Community or Co-operative Business

In order to meet my legal obligations I will need to:

Yes

No

Submit a set of annual accounts

Pay National Insurance

Pay tax

Pay VAT

Pay Capital Gains Tax

Pay Corporate Tax

Register my business name

Accept liability for my debts

Have a legal partnership agreement

Have Shareholders, a Director and a Company Secretary

Have limited liability

Keep records of statutory documents

Have Planning Permission

Ensure I have Intellectual Property

Ensure Fire Safety arrangements

Meet Health and Safety requirements

Task Three: Developing My Business Idea

What is the need for my/our business? (Use any research you might have in answering this question.)

What are the aims and objectives of my/our business?

The personal, professional and practical skills I/we bring to the business are as follows:

The structure of my business will be:

The finance I will need to start my/our business is as follows:

The sources of finance to start my/our business are as follows:

The income I/we would need to generate in the first year of business based on the following costs is:

(This can be calculated on a weekly basis.)

Personal Costs

| | £ per week | £ per annum |
|--------------------------|------------|-------------|
| FOOD | | |
| MORTGAGE, RENT AND RATES | | |
| ELECTRICITY | | |
| GAS | | |
| TELEPHONE | | |
| CAR | | |
| INSURANCE | | |
| HOLIDAYS | | |
| ENTERTAINMENT | | |
| REPAIRS | | |
| SUNDRIES | | |

Business Costs

MATERIAL COSTS
(please specify)

£ Per Week

£ Per Annum

LABOUR COSTS
(your time, wages, National Insurance, Tax etc.)

£ Per Week

£ Per Annum

OPERATING COSTS

(overheads for example, electricity, advertising, transport etc.)

£ Per Week

£ Per Annum

Total Income needed to cover
personal and business costs.

£ Per Week

£ Per Annum

The financial mechanism I/we put in place will be:

The way(s) in which I/we will manage the finance of the business is as follows:

The legal requirements of my/our business are as follows:

INSURANCE

(for example, public liability, motor insurance, property)

RECORD KEEPING

(for example, financial records, National Insurance etc.)

PREMISES

(for example, planning permission, environmental health etc.)

ACHIEVEMENT CRITERIA

Evaluating Ideas for a Small Business

| Task | Achievement Criteria |
|--|---|
| <p>Task One. Identifying Personal and Practical Considerations When Setting up a Business</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Realistically and honestly assesses their own suitability for self employment |
| <p>Task Two. Developing the Right Structure for Your Business</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Correctly describes the different types of structure for a business • Assesses the advantages and disadvantages of each structure in relation to an identified business |
| <p>Task Three. Developing a Business Idea</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Relates their skills, experience and interests to the general skills and personal attributes • Provides a strong, realistic argument for a proposed business idea, clearly stating aims and objectives of the business • Provides a convincing argument for the need for an identified business and their ability to run it successfully • Accurately and realistically researches the viability of an identified business idea • Realistically assesses the costs an identified business will have to cover in order for self-employment to be a viable option • Realistically assesses the amount of finance needed to start an identified business and the amount of income generated over a set period of time • Identifies what is required to manage the finances of a small business |

Qualification Title: Intermediate Certificate in Running a Small Business

Unit Title: Finding and Keeping Your Customers R/101/6844

Level: Two

**10 Hour
Credit Value:** 3

Unit Status: Compulsory

Unit Aims

To enable the learner to:

- Develop a marketing plan for a specified business.
- Compare the products/services of a specified business with those of their competitors.
- Decide on the techniques which they will use to attract and keep customers.

UNIT TITLE: Finding and Keeping Your Customers
R/101/6844
LEVEL: Two
10 HOUR
CREDIT VALUE: 3
UNIT CODE: AE52QQ011

| LEARNING OUTCOMES | ASSESSMENT CRITERIA |
|---|--|
| <p>The Learner should be able to:</p> <ol style="list-style-type: none"> 1. Recognise the need for and purpose of marketing in the context of a specified business. 2. Undertake market research of potential customers and competitors. 3. Understand and appreciate the value of the product or service which they offer. 4. Know how to market the product or service. 5. Understand the concept of customer care. | <p>The learner has achieved this outcome because s/he can:</p> <ol style="list-style-type: none"> 1.1 Define key marketing concepts in relation to a business. 1.2 Identify the benefits of marketing for a business. 2.1 Research their potential customer base. 2.2 Identify potential customers in a range of contexts appropriate to a specified business for example: <ul style="list-style-type: none"> ▪ Local ▪ Regional ▪ National ▪ International ▪ Export 2.3 Identify the competitors in the area of a specified business. 3.1 Identify the unique selling point of the product or service. 3.2 Explain the benefits of using the product or service. 3.3 Assess the strengths and weaknesses of own or specified products/services and those of competitors. 4.1 Plan an appropriate method and timescale for the delivery of a marketing plan. 4.2 Establish a system for monitoring and evaluating the marketing plan. 4.3 Come up with ideas for retaining customers and building customer loyalty. 5.1 Clarify the customer demand for the product/service. 5.2 Identify customer needs and expectations in relation to: <ul style="list-style-type: none"> ▪ Stated and un-stated needs ▪ Level of service ▪ Timescale ▪ Location of customer |

BENCHMARK ASSESSMENT

| | |
|-----------------------------|--|
| Qualification Title: | NOCN Intermediate Certificate In Running A Small Business |
| Unit Title: | Finding and Keeping Your Customers R/101/6844 |
| Unit Status: | Compulsory |

Introduction

There are two key areas in this unit which are assessed. Each area can be assessed in ways that suit the context in which the learning takes place. In order to support standardisation in internally set and marked assessments, Benchmark Assessments are provided as the standard of activities that should be used to assess the unit. The Benchmark Assessments should be scrutinised before assessors devise their own assessment activities in order to establish what they should cover. The assessment activities can take a variety of approaches but should cover all the outcomes within the unit.

Unit Aims

To enable the learner to:

- Assist learners to develop a marketing plan for their business
- Compare their own and their competitor's service and/or product
- Decide on the techniques which they will use to attract and keep customers

Assessment Activities

Two benchmark assessment tasks assess the two key areas. Assessors can devise other activities but the following benchmarks should inform any assessment activities devised to assess this unit.

Tutor Guidance

| Key Areas For Assessment | Benchmark Assessment | Evidence |
|---|---|--|
| <p>Researching Your Customers (LO 2 & 4)</p> | <p>The learner will undertake a basic piece of market research in relation to potential customers and competitors. They will assess how the product/service will be attractive to customers and how they can devise methods to ensure they keep their customers. (Task One)</p> | <p>The evidence for this task can take the form of a worksheet or a tutor assessed and recorded oral question and answer exercise which will identify the customers and competitors of an identified business. Assessors may choose to use the published benchmarked task. If they prefer, centre devised worksheets can be used, but should be benchmarked against the published task included in this Guide. (Minimum 400 words)</p> |
| <p>Devising a Marketing Plan (LO 1,3 & 5)</p> | <p>The learner will recognise the benefits of marketing the business and be able to generate an action plan which sets realistic objectives for the marketing of the product/service. (Task Two)</p> | <p>The evidence for this task can take the form of a Marketing Plan. This can be a written plan using a published pro forma task or can be an oral presentation which should be of at least 15 minutes duration and should include the information in the published task. (Minimum 400 words).</p> |

ASSESSMENT TASKS

Qualification Title: NOCN Intermediate Certificate in Running a Small Business

Unit Title: Finding and Keeping Your Customers R/101/6844

Unit Status: Compulsory

Task One: Researching Your Customers and Competition

AIM: To find out about your customers, who they are, why they buy or will they buy your product or service, how many there are and what is it that makes your business different. You will also look at who your competitors are.

Undertake a piece of basic market research of your customer base and product as follows:

1. Talk to your friends, family and potential customers about your business idea

From this basic research give a brief outline of the need for the product/service.

2. Examine the market trends of your product or service in your local library

From this research say whether demand for your product/service is rising, declining or static and give reasons.

3. Identify who will be/are your customers

Who is going to buy your product/service? How do you know this?

4. Identify your main competitors

Who they are? Where they are based? What are their strengths and weaknesses? How are their businesses doing and why?

5. Identify ways of attracting customers and keeping them.

Task Two: Devising The Marketing Plan

AIMS: To recognise the benefits of marketing your business and set realistic market objectives which will generate a marketing plan for your business. This plan could take the form of a written or oral proposal for a marketing strategy.

Produce a marketing plan using the information gathered in your research for Task One. In the plan you should:

- Identify the unique selling point of your product or service.
- Describe the features and benefits of your product or service.
- Outline how you intend to promote your product or service.
- Describe the potential costs and benefits of promoting your product/service.
- Identify the most appropriate location for your product/service.
- Identify the strengths and weakness of your own and your competitors' product/service.
- Outline a realistic and measurable timescale for implementing your marketing plan.

ACHIEVEMENT CRITERIA

Finding and Keeping Your Customers

| Task | Achievement Criteria |
|---|--|
| <p>Task One. Research Your Customers and Competition</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Researches the potential customer base. • Identifies potential customers in a range of contexts appropriate to own or specified business, for example: <ul style="list-style-type: none"> - Local - Regional - National - International - Export • Identifies the competitors in the area of own or specified business. • Establishes a system for monitoring and evaluating the marketing plan. • States ideas for retaining customers and building customer loyalty. |
| <p>Task Two. Devise a Marketing Plan</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Defines key marketing concepts in relation to the business. • Identifies the benefits of marketing for the business. • Identifies the unique selling point of the product or service. • Explains the benefits of using the product or service. • Assesses the strengths and weaknesses of own and competitors products/service. • Clarifies the customer demand for the product/service. • Identifies customer needs and expectations in relation to: <ul style="list-style-type: none"> - Stated and unstated needs - Level of service - Timescale - Location of customer • Plans appropriate methods and timescale for the delivery of a marketing plan. |

| | |
|----------------------------------|--|
| Qualification Title: | Intermediate Certificate in Running a Small Business |
| Unit Title: | Money Management For a Small Business Y/101/6845 |
| Level: | Two |
| 10 Hour Credit Value: | 6 |
| Unit Status: | Compulsory |

Unit Aims

To enable the learner to:

- Develop an understanding of the initial financing requirement to start up a specified business.
- Assess the need for and sources of financial support and calculate income and expenditure.
- Plan how to meet further financial requirements as the business develops.

UNIT TITLE: Money Management for a Small Business
Y/101/6845
LEVEL: Two
10 HOUR
CREDIT VALUE: 6
UNIT CODE: AE52QQ012

| LEARNING OUTCOMES | ASSESSMENT CRITERIA |
|---|---|
| <p>The Learner should be able to:</p> <ol style="list-style-type: none"> 1. Prepare a list of start-up or expansion/growth costs (whichever is appropriate). 2. Identify possible sources of financial support for new or existing businesses as appropriate. 3. Put together a Profit and Loss Forecast based on a sales forecast. 4. Put together a Cash Flow forecast based on the Profit and Loss figures or realistic assumptions. 5. Understand how to manage cash in a business. | <p>The learner has achieved this outcome because s/he can:</p> <ol style="list-style-type: none"> 1.1 Present a realistic and accurate list of start-up (new businesses) and/or costs involved in expansion or growth of the proposed or existing business. 2.1 Identify financial needs and resource requirements of a new or existing business. 2.2 Explore possible sources of finance for example, venture capital, grants, loans, Credit Union or government funding. 2.3 Assess the benefits of each source of financial support in relation to a specified business. 3.1 Produce a realistic and accurate Profit and Loss Forecast for a twelve-month period. 4.1 Produce a realistic and accurate Cash Flow forecast for a twelve month period. 4.2 Show depreciation and justify assumptions. 5.1 Outline key strategies for improving cash flows for example: <ul style="list-style-type: none"> ▪ Minimising stock whilst maintaining good business practice. ▪ Developing credit and account payable policies without jeopardising customer and supplier good will. |

BENCHMARK ASSESSMENT

| | |
|-----------------------------|--|
| Qualification Title: | NOCN Intermediate Certificate In Running A Small Business |
| Unit Title: | Money Management for a Small Business Y/101/6845 |
| Unit Status: | Compulsory |

Introduction

There are two key areas in this unit which are assessed. Each area can be assessed in ways that suit the context in which the learning takes place. In order to support standardisation in internally set and marked assessments, Benchmark Assessments are provided as the standard of activities that should be used to assess the unit. The Benchmark Assessments should be scrutinised before assessors devise their own assessment activities in order to establish what they should cover. The assessment activities can take a variety of approaches but should cover all the outcomes within the unit.

Unit Aims

To enable the learner to:

- Develop an understanding of the initial financing requirement to start up a specified business.
- Assess the need for and sources of financial support and calculate income and expenditure.
- Plan to meet further financial requirements as the business develops.

Assessment Activities

Four benchmark assessment tasks assess the two key areas. Assessors can devise other activities but the following benchmarks should inform any assessment activities for the unit. The tutor/assessor could provide input on the calculation process for estimating start-up and expansion costs, cash flow and profit and loss forecasting. Learners should be asked to show they can undertake independent methods of calculation and can check results.

Tutor Guidance

| Key Areas For Assessment | Benchmark Assessment | Evidence |
|--|---|--|
| <p>Calculating Income and Expenditure (LO1, 3 & 4)</p> | <p>The learner will make a realistic and accurate estimate of how much they need to start up or expand a small business. (Tasks One, Two and Three)</p> | <p>The evidence for Task 1 can take the form of a worksheet or a tutor assessed and recorded question and answer exercise. This will lead to a realistic estimate of financial requirements to either start-up or expand a business.</p> <p>The evidence for Task 2 is a Profit and Loss Forecast.</p> <p>The evidence for Task 3 is a Cash Flow Forecast.</p> <p>Assessors may choose to use the published benchmarked task. If they prefer, centre devised worksheets can be used, but should be benchmarked against the published task included in this Guide</p> |
| <p>Financial Planning Forecast (LO2 & 5)</p> | <p>Having prepared systems for keeping track of income and expenditure for a business, the learner will assess their financial needs and produce a plan of where and how to access financial support and how to keep track of and control the money coming and going out of the business. (Task Four)</p> | <p>The evidence for Task 4 is a completed Financial Planning Forecast. Evidence provided should either be the published task or should be benchmarked against this task. (Minimum 750 words)</p> |

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|-------------------------|
| ASSESSMENT TASKS |
|-------------------------|

Qualification Title: **NOCN Intermediate Certificate in Running a Small Business**

Unit Title: **Money Management for a Small Business Y/101/6845**

Unit Status: **Compulsory**

Task One: Estimate Financial requirements for Business Start-up or Expansion

This task requires you to make an honest and realistic estimate of how much finance you will need to start up or expand your business. With the help of your tutor/mentor complete the following calculations of your costs. The list below may not cover all your costs and some headings may not apply to you. Be sure you add all cost headings and associated costs relevant to your business in this calculation.

| ITEM | £ |
|----------------------------|---|
| Rent/rates | |
| Insurance | |
| Heat and Light | |
| Drawings | |
| Salaries | |
| Leasing | |
| Bank Charges | |
| Travel | |
| Purchases | |
| Printing and Stationery | |
| Postage | |
| Advertising and Publicity | |
| Repairs and maintenance | |
| Professional fees | |
| TOTAL RUNNING COSTS | |

Task Three: Cash Flow Forecast

Once your Profit and Loss Forecast has been calculated you will be able to estimate the flow of cash through your business over the period of a year. Your Cash Flow Forecast will enable you to:

- Recognise possible cash flow shortfalls
- Identify potential surplus cash and plan to use it efficiently
- Make sure that you have enough cash for any capital expenditures
- Make efficient use of your resources

REMEMBER: VAT is shown in the example of a Cash Flow Forecast but not in your Profit and Loss Forecast. If your business is not VAT registered, then VAT will show up in your Profit and Loss Forecast under Other Expenses.

The following example covers a four-month period, your tutor/mentor will be able to provide a format for a twelve-month forecast.

| |
|-----------------------------|
| ACHIEVEMENT CRITERIA |
|-----------------------------|

Money Management for a Small Business

| Task | Achievement Criteria |
|---|--|
| Task One. Estimate Of Start Up Or Expansion Financial Requirements For A Small Business | The learner: <ul style="list-style-type: none"> • Produces a realistic and accurate list of start-up (for a new business) and/or costs involved in expansion or growth of a proposed or existing business |
| Task Two. Profit And Loss Forecast | The learner: <ul style="list-style-type: none"> • Produces a realistic Profit and Loss Forecast for a twelve month period |
| Task Three. Cash Flow Forecast | The learner: <ul style="list-style-type: none"> • Produces a realistic and accurate Cash Flow forecast for a twelve month period which shows depreciation and justifies assumptions. |
| Task Four. Financial Planning Forecast | The learner: <ul style="list-style-type: none"> • Identifies financial needs and resource requirements of a new/or existing business • Identifies possible sources of finance, for example, venture capital, grants, loans, Credit Union or government funding • Assesses the benefits of each source of financial support in relation to a specified business • Outlines the key strategies for improving cash flow e.g. minimising stock whilst maintaining good business practice or developing credit and account payable policies without jeopardizing customer and supplier good-will. |

Qualification Title: Intermediate Certificate In Running A Small Business

Unit Title: Networking And Support For Small Businesses
D/101/6846

Level: Two

**10 Hour
Credit Value:** 3

Unit Status: Compulsory

Unit Aims

To enable the learner to:

- Identify the individuals, business agencies and professional organisations with whom they need to network, in order to increase the success of a specified business.

UNIT TITLE: **Networking and Support for Small Businesses**
D/101/6846
LEVEL: **Two**
10 HOUR
CREDIT VALUE: **3**
UNIT CODE: **AE52QQ013**

| LEARNING OUTCOMES | ASSESSMENT CRITERIA |
|--|--|
| The Learner should be able to: | The learner has achieved this outcome because s/he can: |
| 1. Understand the advantages of and the skills needed to develop networks in a business. | 1.1 Identify the advantages of developing a network of contacts for their own or a specified business. 1.2 Identify the skills that are vital for networking. 1.3 Assess own skills in relation to successful networking. |
| 2. Demonstrate an understanding of the process of networking. | 2.1 Identify and describe situations in which networking can take place. 2.2 Explain how they can measure the impact that networking will have on a specified business. |
| 3. Explore sources of business support. | 3.1 Identify sources, conditions and availability of support for a specified business within a number of contexts as appropriate; <ul style="list-style-type: none"> ▪ <i>Local</i>, for example Council, economic development units, colleges. ▪ <i>Regional</i>, for example commissions, Health and Safety Executives. ▪ <i>National</i>, for example professional institutes. ▪ <i>International</i>, for example Europe, International Associations. 3.2 Describe the methods of accessing sources of support appropriate to a specified business for example, Internet, local or regional agencies. 3.3 Assess the advantages and disadvantages of each source. |
| 4. Understand the role of networks in relation to a small business. | 4.1 Describe how a small business can access the support of identified networks. |

BENCHMARK ASSESSMENT

| | |
|-----------------------------|---|
| Qualification Title: | NOCN Intermediate Certificate In Running A Small Business |
| Unit Title: | Networking and Support for Small Businesses D/101/6846 |
| Unit Status: | Compulsory |

Introduction

There are two key areas in this unit which are assessed. Each area can be assessed in ways that suit the context in which the learning takes place. In order to support standardisation in internally set and marked assessments, Benchmark Assessments are provided as the standard of activities that should be used to assess the unit. The Benchmark Assessments should be scrutinised before assessors devise their own assessment activities in order to establish what they should cover. The assessment activities can take a variety of approaches but should cover all the outcomes within the unit.

Unit Aims

To enable the learner to:

- Identify the individuals, business agencies and professional organisations with whom they need to network in order to increase the success of their business.

Assessment Activities

Two benchmark assessment tasks assess the two key areas. Assessors can devise other activities but the following benchmarks should inform any assessment activities devised to assess this unit.

Tutor Guidance

| Key Area For Assessment | Benchmark Assessment | Evidence |
|--|--|---|
| <p>Finding Useful Networks (LO 1 & 2)</p> | <p>The learner will identify and find individuals, business agencies and professional organisations who can help in the success of a specified business. (Task One)</p> | <p>The evidence for this task can take the form of the findings of some basic research on how to develop a useful network of organisations and people who will support an identified business.</p> <p>Assessors may choose to use the published benchmarked task. If they prefer, centre devised worksheets can be used, but should be benchmarked against the published task included in this Guide. (Minimum 300 words)</p> |
| <p>Getting support from your network(s) (LO 3 & 4)</p> | <p>The learner will develop a structure for using identified networks effectively. This task will help learners to know which network(s) they need to be a part of and how to reach them. (Task Two)</p> | <p>The evidence for this task can take the form of an Action Plan. This can be a written plan using the published pro-forma task (minimum 350 words) or can be an oral presentation which should be of at least 15 minutes duration and should include the information in the published task.</p> |

ASSESSMENT TASKS

Qualification Title: **NOCN Intermediate Certificate in Running a Small Business**

Unit Title: **Networking and Support for Small Businesses D/101/6846**

Unit Status: **Compulsory**

Task One: Finding Useful Networks

People who start their own businesses can sometimes find that they are so engrossed in the setting up and the day to day running of the business they don't have much time to talk to others who are also running a small business. However, sharing experience and talking to people or organisations who have 'been there before' is useful and informative.

Your tutor/mentor will be able to direct you to sources of information that will help you to find individuals and organisations that can offer networking opportunities and support. When you have gathered as much information as you can, complete the following:

Outline the overall advantages that networking can have on your business.

List the skills that you have which help you to find and use networks.

Are there any further skills you need to develop that would be useful to you when you are networking?

Say how you would find people and organisations that would be useful for networking.

Who are the people and agencies that could support your business?

Outline how the support network could help you improve profitability.

Task Two: Getting Support From Your Network

| QUESTION | RESPONSE |
|--|----------|
| <p>List the networks and sources of support that you have identified in the course of your research.</p> | |
| <p>Describe how you identified these sources of support and say how useful each could be to your business.</p> | |
| <p>Give a realistic indication of the amount of time you will be able to spend in networking activities.</p> | |
| <p>What will you do to ensure that you get the most benefit from these networks?</p> | |
| <p>How and by when will you be able to measure the success that networking has had on your business?</p> | |

ACHIEVEMENT CRITERIA

Networking and Support for Small Businesses

| Task | Achievement Criteria |
|--|--|
| <p>Task One. Finding Useful Networks</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Demonstrates that they have been able to access a number of contacts and supporting organisations for an identified business. • Explains the process and skills used to access these networks and contacts. |
| <p>Task Two. Getting Support From A Network</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Produces an Action Plan which identifies support agencies in the local, regional, national and/or international contexts. • Describes how to reach the support agencies. • Prioritises own networking needs • Assesses the benefits of being part of a support network to an identified business. • Identifies how and when they will be able to measure the benefits of networking to an identified business. |

Qualification Title: Intermediate Certificate in Running a Small Business

Unit Title: Legal Requirements For Running a Small Business
H/101/6847

Level: Two

**10 Hour
Credit Value:** 3

Unit Status: Compulsory

Unit Aims

To enable the learner to:

- Develop their understanding of how a business is set up legally.
- Develop an action plan for a business so that it meets all the necessary legal requirements.

UNIT TITLE: Legal Requirements for Running a Small Business
H/101/6847

LEVEL: Two

10 HOUR

CREDIT VALUE: 3

UNIT CODE: AE52QQ014

| LEARNING OUTCOMES | ASSESSMENT CRITERIA |
|---|--|
| <p>The Learner should be able to:</p> <ol style="list-style-type: none"> 1. Identify the main legislative areas related to running a business. 2. Determine the obligations of a business in relation to current regulations concerning health and safety at work. 3. Have an awareness of consumer rights. 4. Understand legal structures of small businesses. 5. Access sources of information needed to determine more detailed legal information. | <p>The learner has achieved this outcome because s/he can:</p> <ol style="list-style-type: none"> 1.1 State the action needed in order to comply with the most important elements of statute and common law relevant to an identified business. 2.1 Produce an outline health and safety plan for an identified business which includes: <ul style="list-style-type: none"> • General hygiene facilities • Cleanliness of premises • A safe place to work • Lighting • Comfort 3.1 Show how relevant legal obligations will be met in relation to consumer rights. 4.1 Describe the legal structure of an identified business for example, sole trader, limited company, partnership etc. 4.2 Explain the steps necessary for setting up one of these structures. 4.3 Explain the legal obligations of the structure of an identified business. 5.1 Draw together basic research and compile information relevant to the legal obligation of an identified business from sources such as the Internet, local small business advisers or chamber of commerce. |

BENCHMARK ASSESSMENT

Qualification Title: NOCN Intermediate Certificate In Running A Small Business

Unit Title: Legal Requirements for Running a Small Business
H/101/6847

Unit Status: Compulsory

Introduction

There are two key areas in this unit which are assessed. Each area can be assessed in ways that suit the context in which the learning takes place. In order to support standardisation in internally set and marked assessments, Benchmark Assessments are provided as the standard of activities that should be used to assess the unit. The Benchmark Assessments should be scrutinised before assessors devise their own assessment activities in order to establish what they should cover. The assessment activities can take a variety of approaches but should cover all the outcomes within the unit.

Unit Aims

To enable the learner to:

- Develop their understanding of how a business is set up legally.
- Develop an action plan for a business so that it meets all the necessary legal requirements.

Assessment Activities

Two benchmark assessment tasks assess the two key areas. Assessors may devise other activities but the following benchmarks should inform assessment activities for the unit. The tutor/assessor should provide the learner with different examples of networks and assist the learner to relate these to their own business.

Tutor Guidance

| Key Area For Assessment | Benchmark Assessment | Evidence |
|---|---|---|
| <p>Assessment of the legal obligations of a specific business (LO 1, 3 & 4)</p> | <p>The learner will make an assessment of the key legal obligations that are required for them to run a particular structure of business i.e. sole trader, partner ship etc.</p> <p>The learner will identify the action needed to comply with the relevant legal obligations including consumer rights. (Task One)</p> | <p>The evidence for this task can take the form of a worksheet or a tutor assessed and recorded written exercise which will be a clearly stated assessment of the legal obligations of a specified business.</p> <p>Assessors may choose to use the published benchmarked task. If they prefer, centre devised worksheets can be used, but should be benchmarked against the published task included in this Guide. (Minimum 300 words)</p> |
| <p>Health and Safety Plan for a specific business (LO 2)</p> | <p>The learner will have a clear understanding of the health and safety obligations that they are required to operate a specific business.</p> <p>The learner will have a clear plan to meet all health and safety requirements for a specific business. (Task Two)</p> | <p>The evidence for this task takes the form of a plan. This can be a written plan using the published pro-forma task (minimum 350 words) or can be an oral presentation which should be of at least 15 minutes duration and should include the information in the published task.</p> |

- 7 What are the tax and VAT implications on your company?

- 8 If you operate your business from business premises, have you checked the terms of the lease?

- 9 Where do you find out about current legislation with which you need to comply?

- 10 Where do you find out about changes in current legislation for example, Employment Law and Disability Discrimination Act?

- 11 If appropriate, have you taken steps to assess what you need to do to meet the regulations of the Data Protection Act?

- 12 How will you ensure that:
 - a) Your product or services are not faulty?

 - b) Your product or services live up to the claims you make for them?

 - c) Your product or services meet the required safety standards?

Task Two: Health And Safety Action Plan

Complete the following Health and Safety questions for your business:

| Question | Response | Actions Required For My Business |
|---|----------|----------------------------------|
| <p>What are the specific Health and Safety needs of your business in relation to:</p> <ul style="list-style-type: none"> ▪ General hygiene ▪ Cleanliness of premises ▪ Safety in the work environment ▪ Lighting ▪ Comfort | | |
| <p>What are the Health and Safety requirements of your business, for example, public liability, employers' liability etc.?</p> | | |
| <p>How will you ensure that you comply with the Health and Safety requirements of your business?</p> | | |
| <p>Where can you access further information and support regarding Health and Safety for your business as it grows and develops?</p> | | |

ACHIEVEMENT CRITERIA

Legal Requirements for Running a Small Business

| Task | Achievement Criteria |
|--|---|
| <p>Task One. Assessing The Legal Obligations Of A Specific Business</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Identifies the action needed in order to comply with the most important elements of statute and common law relevant to an identified business • Shows how relevant legal obligations will be met in relation to consumer rights • Describes the legal structure of an identified business e.g. sole trader, limited company, partnership etc. • Accurately explains the legal obligations of the structure of a specified business • Accurately explains the steps necessary for setting up one of these structures |
| <p>Task Two. Health And Safety Plan For A Specified Business</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Produces an outline Health and Safety plan for an identified business which includes all the following elements: <ul style="list-style-type: none"> - General hygiene facilities - Cleanliness of premises - A safe place to work - Lighting - Comfort • Draws together relevant basic research and compiles relevant information about the legal obligations of an identified business from sources such as the Internet, local small business advisers or chamber of commerce. |

Qualification Title: Intermediate Certificate in Running a Small Business

Unit Title: Finding and Keeping Your Staff K/101/6848

Level: Two

**10 Hour
Credit Value:** 3

Unit Status: Optional

Unit Aims

To enable the learner to:

- Make an informed decision about why they need to bring other people into the business and what would be the advantages of employing staff.
- Decide upon the skills they need from an employee and how to state this clearly in any documentation they use in the recruitment process.
- Understand their legal obligations when employing staff.
- Draw up a staff training/induction plan.

Unit Title: Finding and Keeping Your Staff
K/101/6848
Level: Two
10 Hour
Credit Value: 3
Unit Code: AE52QQ015

| LEARNING OUTCOMES | ASSESSMENT CRITERIA |
|--|--|
| <p>The Learner should be able to:</p> <ol style="list-style-type: none"> 1. Understand the legal requirements involved in employing staff. 2. Make an informed decision about employing staff. 3. Make preparations for the employment of staff. 4. Prepare the interview process. 5. Decide upon the training and development needs of staff. | <p>The learner has achieved this outcome because s/he can:</p> <ol style="list-style-type: none"> 1.1 Identify the main legal requirements for an employer. 1.2 Identify what is required in a formal contract of employment including: <ul style="list-style-type: none"> ▪ Terms and conditions of employment ▪ Disciplinary and grievance procedures ▪ Notice given to end employment 2.1 Compare the advantages and disadvantages of employing staff. 2.2 Consider what effect employing staff will have on the business. 3.1 Draw up a job description which describes the nature of a post in a specified business. 3.2 Draw up a person specification which outlines clearly the level of skills and experience required. 3.3 Decide upon the most effective ways of recruiting staff. 4.1 Devise a process for short listing candidates. 4.2 Prepare a set of questions/tasks against which potential candidates can be assessed in relation to the requirements of the post. 5.1 Prepare an induction programme for new employees. 5.2 Identify the most appropriate way to train staff in relation to a specified business. 5.3 State the benefits, to a specified business, of planned staff training and development. |

Benchmark Assessment

| | |
|-----------------------------|--|
| Qualification Title: | NOCN Intermediate Certificate In Running A Small Business |
| Unit Title: | Finding and Keeping Your Staff K/101/6848 |
| Unit Status: | Optional |

Introduction

There are three key areas in this unit which are assessed. Each area can be assessed in ways that suit the context in which the learning takes place. In order to support standardisation in internally set and marked assessments, Benchmark Assessments are provided as the standard of activities that should be used to assess the unit. The Benchmark Assessments should be scrutinised before assessors devise their own assessment activities in order to establish what they should cover. The assessment activities can take a variety of approaches but should cover all the outcomes within the unit.

Unit Aims

To enable the learner to:

- Make an informed decision about why they need to bring other people into the business and what would be the advantages of employing staff.
- Decide upon the skills they need from an employee and how to state this need clearly in any documentation used in the recruitment process.
- Understand their legal obligations when employing staff.
- Draw up a staff training/induction plan.

Assessment Activities

Three benchmark assessment tasks assess the three key areas. Assessors may devise other activities but the following benchmarks inform assessment activities for the unit.

ASSESSMENT ACTIVITIES

There are three benchmark assessment tasks that assess the three key areas. Assessors may devise other activities but the following benchmarks should form the basis of assessment activities for this unit. Learners should be provided with examples and pro-formas of documents i.e. job descriptions, induction plans etc.

Tutor Guidance

| Key Areas For Assessment | Benchmark Assessment | Evidence |
|---|--|--|
| Identifying the need to employ staff (LO 1 & 2) | The learner will be able to assess the need for staff within their identified business. The learner will assess the impact of employing staff in terms of financial cost and the effect on the business. (Task One) | The evidence for this task can take the form of a worksheet or a tutor assessed and recorded oral question and answer exercise which will state the staffing needs of an identified business. Assessors may choose to use the published benchmarked task. If they prefer, centre devised worksheets can be used, but should be benchmarked against the published task included in this Guide. (Minimum 250 words) |
| Understanding the benefits of preparing to employ staff (LO 3 & 4) | The learner will develop a process for recruitment of staff. (Task Two) | The evidence for this task can take the form of a worksheet or a written assignment which will show the learner's understanding of the steps they need to take when employing staff. Evidence provided should either be the published task or should be benchmarked against this task. (Minimum 250 words) |
| Preparing a staff induction/development programme. (LO 5) | The learner will generate an induction/staff development plan for the people they intend to employ in their business. (Task Three) | The evidence for this task can take the form of a Staff Development/Induction Plan. This can be a written plan using the published pro-forma task or can be a centre devised worksheet benchmarked against the published task included in this Guide. (Minimum 250 words) |

ASSESSMENT TASKS

Qualification Title: NOCN Intermediate Certificate in Running a Small Business

Unit Title: Finding and Keeping Your Staff **K/101/6848**

Unit Status: Optional

Task One: What I need to know when I start to employ people.

Deciding to employ additional people in your business requires you to think about a number of important issues. This task is about helping to clarify the advantages of employing staff and ensuring that you know what your legal obligations will be to anyone you employ.

Complete the following questionnaire:

1. How many additional people will my business be able to support?

2. What will be the advantages and disadvantages of employing someone in my business and how will employing staff impact on each area of the business?

ADVANTAGES

DISADVANTAGES

IMPACT

3 The issues to be addressed when writing a person specification are:

4 The most effective method of shortlisting for the job will be:

5 The types of questions I might want to ask at the job interview:

Task Three: Induction/Development Programme

Once you have employed someone you need to think about how you are going to train them. This task will help you to think through an appropriate induction/development programme for your new staff, that will benefit the employee and your business.

Use the questions below to draw up an induction/development programme for new people in your business.

1 What does this new employee need to be able to do and understand in order to do the job which I've employed them to do?

2 In the first four weeks of their job what training do I need to offer them?

Week 1

Week 2

Week 3

Week 4

3 What will I want the employee to be able to know and do by the end of the first three months?

4 When will I be able to realistically measure the employee's ability in the above?

5 What are the benefits of training this employee?

To my business?

To the employee?

To the customer?

| |
|-----------------------------|
| ACHIEVEMENT CRITERIA |
|-----------------------------|

Finding and Keeping Your Staff

| Task | Achievement Criteria |
|--|--|
| Task One. Identifying The Need To Employ Staff | The learner: <ul style="list-style-type: none"> • Realistically assesses the advantages and disadvantages of employing staff in a specified business • Considers the impact that employing staff will have on a specified business • Considers their main legal obligations in relation to employing staff |
| Task Two. Preparing To Employ Staff | The learner: <ul style="list-style-type: none"> • Decides upon the best way to recruit staff for an identified business • Draws up a job description for a specified post • Knows how to draw up a person specification • Devises a process for shortlisting • Prepares a set of questions/tasks against which potential candidates can be assessed in relation to the requirements of the post |
| Task Three. Preparing A Staff Induction/Development Programme. | The learner: <ul style="list-style-type: none"> • Devises an induction programme for a new employee • Identifies the most appropriate way to train staff in relation to a specified business • States the benefits to a business of planned staff training |

| | |
|------------------------------|---|
| Qualification Title: | Intermediate Certificate in Running a Small Business |
| Unit Title: | Supporting a Business Using Information Communication Technology M/101/6849 |
| Level: | Two |
| 10 Hour Credit Value: | 3 |
| Unit Status: | Optional |

Unit Aims

To enable the learner to:

- Develop the necessary skills to evaluate the ICT packages needed to promote and run a small business.
- Identify the practical applications of ICT to a specified business.

UNIT TITLE: Supporting a Business Using Information Communication Technology
M/101/6849

LEVEL: Two

10 HOUR

CREDIT VALUE: 3

UNIT CODE: AE52QQ016

| LEARNING OUTCOMES | ASSESSMENT CRITERIA |
|--|---|
| <p>The Learner should be able to:</p> <ol style="list-style-type: none"> 1. Understand the various components of a computer. 2. Determine the differences between software packages that would suit an identified business. 3. Draw up a specification of the ICT requirements of an identified business. 4. Explore own training needs in relation to ICT. 5. Understand how the use of ICT can be relevant to a specified business. 6. Be aware of relevant laws and/or regulations which affect a given business using ICT. 7. Understand how the future development of ICT might provide opportunities or threats to an identified business. | <p>The learner has achieved this outcome because s/he can:</p> <ol style="list-style-type: none"> 1.1 Identify the hardware components of a computer system relevant to an identified business. 1.2 Identify various software components relevant to an identified system and user. 2.1 Identify the appropriate software packages for a specific business. 2.2 Explain reasons for the choices of software. 3.1 Identify the appropriate speed of the processor. 3.2 Name the properties of the processor. 3.3 Identify how much processing memory will meet the requirements of the identified business. 3.4 Identify the type of printer appropriate to the business. 3.5 Identify appropriate CD-ROM drive. 3.6 Identify required speed of CD-ROM drive. 3.7 Identify speed of modem. 3.8 Identify types of appropriate scanners. 3.9 Identify uses of a DVD. 4.1 Describe the kinds of ICT learning required to run an identified business. 4.2 Identify how and where to access training that is appropriate in relation to time and business commitments. 5.1 Assess the potential benefits of using ICT in own business. 6.1 List a minimum of three sources of information regarding laws or regulations for using ICT which affect a given business, giving examples and samples. 7.1 Describe how projected future developments in ICT might affect an identified business. |

Benchmark Assessment

| | |
|-----------------------------|--|
| Qualification Title: | NOCN Intermediate Certificate In Running A Small Business |
| Unit Title: | Supporting a Business Using Information Communication Technology M/101/6849 |
| Unit Status: | Optional |

Introduction

There are two key areas in this unit which are assessed. Each area can be assessed in ways that suit the context in which the learning takes place. In order to support standardisation in internally set and marked assessments, Benchmark Assessments are provided as the standard of that should be used to assess the unit. The Benchmark Assessments should be scrutinised before assessors devise their own assessment activities in order to establish what they should cover. The assessment activities can take a variety of approaches but should cover all the outcomes within the unit.

Unit Aims

To enable the learner to:

- Develop the necessary skills to evaluate the ICT packages needed to promote and run a small business.
- Identify the practical applications of ICT to their business.

Assessment Activities

Two benchmark assessment tasks assess the two key areas. Assessors may devise other activities but the following benchmarks should inform assessment activities, for the unit.

Tutor Guidance

| Key Areas For Assessment | Benchmark Assessment | Evidence |
|--|---|--|
| <p>Specifying ICT needs of a small business (LO 1 and 3)</p> | <p>The learner will undertake basic research which will identify the ICT needs of an identified business (Task One)</p> | <p>The evidence for this task can take the form of a worksheet e.g. a specification checklist that draws together a clear description of the ICT needs of a specified small business.</p> <p>Assessors may choose to use the published benchmarked task. If they prefer, centre devised worksheets can be used, but should be benchmarked against the published task included in this Guide.</p> |
| <p>ICT Action Plan</p> | <p>The learner will make a well-informed assessment of:</p> <ul style="list-style-type: none"> • Why they need ICT in a specified business • What they need to have in order to use ICT effectively • What they need to understand with regard to legislation in the use of ICT • How future developments in ICT will impact on a specified business. <p>(Task Two)</p> | <p>The evidence for this task can take the form of an Action Plan. This can be a written plan using a published pro-forma task (minimum 500 words) or can be an oral presentation which should be of at least 15 minutes duration and should include the information in the published task.</p> |

Assessment Tasks

Qualification Title: NOCN Intermediate Certificate in Running a Small Business

Unit Title: Supporting a Business Using Information Communication Technology M/101/6849

Unit Status: Optional

Task One: Specification of ICT needs

Answer the following questions:

Why does my business need ICT?

List all the things (business processes) I need a computer system to do for my business:

| In relation to the processes identified above, specify what is needed in relation to: | |
|---|--|
| The speed of the processor | |
| The properties of the processor | |
| How much memory the system will need to meet the requirements of my business? | |
| What type of printer will my business need? | |
| What CD ROM drive does my business require? | |
| What type and speed of modem does my business require? | |
| What type of scanner does my business require? | |
| Does my business require DVD, if so what are my DVD requirements? | |

Task Two: 'ICT Needs Action Plan' For My Business

Draw up an action plan of the ICT needs of your business which clearly:

- Identifies the appropriate software packages for your business.
- Explains the reasons for your choice of software packages.
- Describes what you need to learn to be able to effectively use ICT in your business.
- Identifies where and how you will access this training, taking into account considerations of time and cost to your business.
- Describe the potential benefits of ICT to your business.
- State the laws and regulations that you will have to observe when using ICT in your business.
- Describe how possible future developments in ICT may affect your business.

ACHIEVEMENT CRITERIA

Supporting a Business Using Information Communication Technology

| Task | Achievement Criteria |
|---|---|
| <p>Task One. Prepare A Written Specification Of ICT Needs For An Identified Business</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Realistically assesses the business processes which will be supported through ICT. • Identifies the hardware components of a computer system relevant to an identified business. • Identifies various software components relevant to an identified system and user. • Identifies the appropriate speed of the processor. • Names the properties of the processor. • Identifies how much processing memory will meet the requirements of the identified business. • Identifies the type of printer appropriate to the business. • Identifies appropriate CD-ROM drive. • Identifies required speed of CD-ROM drive. • Identifies speed of modem. • Identifies types of appropriate scanners. • Identifies uses of a DVD, if appropriate. |
| <p>Task Two. ICT Action Plan For A Specified Business</p> | <p>The learner:</p> <ul style="list-style-type: none"> • Identifies the appropriate software packages for a specific business. • Explains reasons for the choices of software. • Describes the kinds of ICT learning required to run an identified business. • Identifies how and where to access training that is appropriate in relation to time and business commitments. • Assesses the potential benefits of using ICT in own business. • Lists a minimum of three sources of ICT information regarding laws or regulations which affect a given business, giving examples and samples. • Describes how projected future developments in ICT might affect an identified business. |

EXTERNAL ASSESSMENT REQUIREMENTS

External Assessment

Business Idea Analysis

For this external assessment task, learners are asked to consolidate the knowledge and understanding developed from the five compulsory units and one of the optional units. The assessment draws together all the factors that have to be taken into consideration when developing a business idea and will assess the learners' skills in doing this.

Learners will be given a broad idea of the externally assessed task when they undertake the units of the qualification. Through internal assessment the learner will develop the skills required to enable achievement of the externally assessed task.

Through completion of this externally assessed task learners will be required to demonstrate that they can:

- Present a strong argument for their business idea
- Give a rational analysis of the market for their product or service
- Accurately and honestly determine the costs related to the business
- Realistically calculate their financial requirements
- Given an accurate assessment of the costs of premises for the business
- Fully research their legal obligations in relation to their business
- Present practical and realistic mechanisms to operate the business effectively

Assessors will assess the clarity, planning and contingencies that the learner has brought to the externally assessed task, rather than the business idea as a viable business idea.

Full details of the External Assessment are available in the External Assessment Pack.