

# [Assignment to use in order to meet](https://assignbuster.com/assignment-to-use-in-order-to-meet/)

Assignment 1 – Unit 9 – BusinessPlanningP1What is abusiness plan? A businessplan is a document used to varying extents by all businesses that allows abusiness to show people such as potential investors their plans for the future.

They allow abusiness to do many things. These include:·        Checkingtheir progression as a business, ensuring they are staying true to theiroriginal objectives throughout the growth of the company. This is done via alot of differing comparability tests, such as simply checking against theirdaily or even monthly quotas given by the owners or managers within thebusiness.

·        Ensuringthey are on track, meeting their targets and objectives in a timely manner, andthen allowing them to make any necessary changes to ensure they are met.·        Pleasinginvestors making them more likely to invest their own money into your businessventure, because it makes it a more secure investment, as the people beinggiven the money have evidence of a plan of the company getting the investorhis/her money back plus whatever interest the investor gives. A business plan consists of:·        Objectives– These are the places a business wants to reach in order to be used as ameasure of the company’s progress, or lack of depending on the situation. Anexample of this in use is in the company Nestle, where to check their progress, they are set daily quota objectives to meet, and they can vary the speed andstrain put on their machinery depending if they need more or less product to bemanufactured in the given amount of time.·        Strategies– These are the variety of methods the business is going to use in order tomeet its objectives. These could include pricing strategies, marketingstrategies and even growth strategies.

An example of a pricing strategy iscompetitive pricing. This is a strategy where a company analyses itscompetitors pricing, and sets its own prices accordingly. Also, they couldadopt cost plus pricing, where you simply add an extra percentage onto theproduction costs of the product/service, and then guarantee yourself a setprofit margin. This can be varied depending on what customers are willing topay, which can, depending on the elasticity of the product, correlate with theconsumer demand for the product.·        Alayout of the market – This is the evidence the business owners will use theshow an unsaturated gap located in the market that they are going to try andpenetrate in order to then saturate and hence, make a profit and try to ensuredemand and likely, success.

This is done by creating a market map, which iswhere all of the products being cold by the companies close competition isplaced on a grid, scoring price against quality, leaving ‘ gaps’ where there isno completion. However, in this system there is almost nearly always a gaplocated at high quality and low price, purely due to the positive correlationbetween price of production and quality, hence meaning that they would have tocharge the consumer a higher price for the product in order to make a clearprofit.·        FinancialInformation – This is all of the information on the company’s cash flow. Thisincludes the companies forecasted spending’s/expenditures, income from sales, income from other investors and even projected breakeven amounts required forthe company to be successful.

This includes a breakeven forecast, which is apiece of data created by comparing the variable costs, fixed costs, and theprofit from every product on a graph, and where the profit being made coversall of the costs of the production of the product, then they are said to be” breaking even”. This is a vital piece of information for investors such asbanks, because it shows the target the company has to meet in order to make aprofit, which is then usually followed by an explanation of how they are goingto ensure this, making the investor trust in the company and, therefore want toinvest in it.·        Operations– This is the day to day running of the company, that is used to show toinvestors how they are going to actually produce, trade and sell their productor service to their customers. This could include the potential foroutsourcing, where they sell the production of the company’s products to adifferent company, lowering the stress on their own manufacturing departments, and also saving them on costs, as they wouldn’t have to go and purchase therequired machinery and staff required for production if they can get someoneelse to do it. This is good in the short term, however as you use it for longerperiods of time, it becomes less and less cost effective. Resources: In a business plan, there is a wide multitude of resourcesthat are significant to the success of the company, and therefore have to bemaintained very precisely.

These are critical a company’s survival and success, as they are the foundation that all of a company’s profitability is built on, and a lack of control of a company’s resources will almost definitely end inthe failure of the company. These include:·        PhysicalResources – These are resources that are actually put to use by the company, inmaking their products/services. This includes Sub categories such as employees, equipment, suppliers, production processes and distribution channels (whoyou’re going to sell the product/service to). A failure to manage these resources may result in a lack of staff tomaintain or increase production to the potentially increasing demand, meaningthe company is not operating at its capacity.

·        FinancialResources – These are all of the companies resources related to money, and howthe money is coming in and out if the business, potentially allowing for betteruse and less wastage of their capital. This includes all financial aspects ofthe company, such as the companies cash balances, Bank overdraft, loans, shareholders, working capital (assets), and creditors. However it is also thecompany’s ability to be able to raise funds or even decrease costs throughmeans such as the sale of the product/service itself and building relationsbetween the business and its suppliers in order to use economies of scale toget a better, bulk price. A lack of control of these resources could result inbankruptcy for the company, where they just run out of money to be able tomaintain their production and, therefore, they cannot operate and must end thecompany.·        HumanResources – These are resources that directly affect people within thebusiness. This includes the number of staff currently employed by the company, rate of staff turnover, standard of the training given to employees, employeemotivation management, and even the management of human resources that includeschanges the organisation can make such as a new location and/or product andsources of human resources such as outsourcing (giving the production demand toanother company). A failure to maintain control of these resources could resultin industrial action, where employees begin to strike, leaving the company withlittle to no production capabilities until the employees get what they desire.

·        IntangibleResources – This includes the non-physical resources that can be managed andmaintained by the company, such as morale, reputation, motivation and brandnames. A good example of brand names being a valuable resources is Nestlespurchasing of Rowntree’s to own the rights to the name KitKat, even though theycould have quite easily made an equally tasty product without doing so, howeverthey purely wanted to be able to sell them named KitKats, as the name alreadyhas its own loyal customer base, and therefore guaranteed to make them theirmoney back. A failure to manage these resources effectively could result incustomers wanting to go and purchase their products from the companiescompetition, who may have a better reputation, and could also cause brandsvalue to diminish, resulting again in les people wanting to purchase the company’sproduction, which correlates negatively with the profits the company wouldmake, decreasing them accordingly.    P 2 Whatare corporate expectations? Corporateexpectations are the things that a company expects from its employees when fulfillingtheir jobs. These include: ·        Asense of responsibility to be held by the business, so that the company takesblame where blame is due, from things such as not getting their quotas met in atimely manner. This promotes people to strive to be better after learning fromtheir mistakes, developing their workforce as people, not just as employees, giving them character building skills that are transferable to other jobs.·        Apersona of professionalism, in regards to how they intake information and hencemanage their operations and decisions appropriately, ensuring they maintaintheir ability to reach objectives. This ensues a feeling to the customers, ofhow nice the place is to purchase from with their staff being so professional, increasing the likelihood of said customer repeating purchases from thecompany, therefore increasing sales, and increasing profits, making the companymore successful.

·        Agood enthusiasm regarding teamwork and being able to work as a member of a teameffectively, as this is also transferable skill, and is applicable to a widerange of jobs available, and also massively increases the productivity andefficiency of the team, decreasing the time it takes to make a product, andtherefore decreasing labour cost per unit, increasing profit per unit, andtherefore decreasing the number of staff required and increasing the amount ofprofit margin the company makes by reducing costs.·        Performingyour task to your very best ability and giving a great customer servicethroughout. This is done to try and gain repeat purchases from customers, andcan range from just being polite and not swearing, to carrying the customerthrough every single stage of the purchasing process making it as easy aspossible for them to buy from your company, showing great customer care andattention throughout.·        Avery open and talkative persona, promoting them to listen to other people’sthoughts and feelings on/about work and to trust in others as you would want tobe trusted to complete a job well, and fully. This inspires people in in theworkforce to improve and strive for more, adding to the creativity of theworkforce and with a higher demand for responsibility being advertised, thenthe company is more likely to give the workforce more promotions, promoting frominternal sources.·        Agreat sense of respect for yourself and those around you, ensuring youunderstand and support members of the workforce and their ideas and feelings, encouraging them to work harder and to a higher quality, striving to be thebest they can be.

This is great for the company as it creates a higherproductivity from their workforce and this therefore, as already stated, creates a higher profit margin. What is Reputation and Trust? Reputation and trust are important when a company considersits customers because its customers are the ones with the power to control thestrength of this. This is also dually because reputation and trust are veryclosely linked. This is because, if a customer trusts a product, then they arelikely to purchase from them again, and that therefore builds the company’sreputation to that customer as they now like that product from the company overany other, similar products being offered from the company’s competition.

A great example of reputation and trust is Nestle’spurchasing the KitKat brand. They did this because the brand already had agreat reputation and loyal customer base, which meant they were actually buyingthe rights to a product, and all of the loyalty that followed behind, almostensuring sales would continue to be as good, if not better because they had agreater production capacity and a better marketing campaign for the product, tofurther increase the reach and strength of the reputation. In other cases, companies such as Nike could be said as tohave a bad reputation, as they were recently exposed as to have been usingchild labour in the production of some of their products. This affected them asnow, nobody wants to purchase from them because they don’t want to be perceivedas to be supporting a company that uses such a cruel, un-ethical form oflabour, and hence supporting the ideology of child labour.

They are nowfighting this claim and are correcting their mistakes, recovering their strongbrand image and reputation.  M 1Tendering –The process a company or organisation goes through to get the bestbusiness to complete a task at possibly the lowest price, by giving theopportunity to a wide range of companies in order to make them compete againsteach other to force them to make good offers. This involves a few differentstages that combine to make the final tender. Firstly, the company gives anestimate of how much it would cost for the customer to get what they want. Then, secondly they give a more precise quote for the work, including costs ofmaterials and labour, however depending on the size of the operation, they willthen give a Tender. This is the final piece of documentation that includes andoverall price for the operation, a breakdown of all of the contribution factorsmaking the overall price, a time schedule which they will try to adhere tothroughout the project, the terms and conditions for the project, includingfactors such as weather constraints and accessibility of materials etc., andthe payment terms for the work, including how the money has to be paid, and whoto, and can be a very larger piece of documentation. At the end of the finalTender, the company has to get signed acceptance from the customer to theconstrictions and to state that they are clear about what has been agreed.

This is important to acompanies’ business plan because it has to ensure a level of competitiveness isenforced in everything they do, increasing the quality of the companiesfinished product/service as a result. It also dictates the prices the companycan charge for its product to a certain extent, by reducing or decreasing theprofit margin the company takes from every sale, managing this against thedemand and interest for the product/service. Also, a company’s business planincludes all of their financial planning as well, and therefore the tenderingprocess is a source of income for the company, and would therefore have to meetcertain criteria such as the level of money they are going to make from theordeal.  Contracting – The legal documentation created in order for a company tocomplete a task, and guarantees specific guidelines and rules the company hasto adhere to throughout, such as time and financial constraints.

If not met, this could result in a potential decrease in pay for the company beingcontracted, or even the cancelation of the given contract. This is important toa companies’ business plan because it is the only thing that the company has asevidence to bind the customers to paying for their product, and also gives themthe times scales for the production of the product, aiding in the planning andpreparation of the production processes of which they have to state whenplanning their business decisions for the year. Innovation – The process of making new andimproved designs by a company in order to make a better and more desirableproduct/service compared to the company’s competition. This is done by takingan existing product or service, and improving the features of it, such as thematerials it is made of into newer and more suitable and perhaps cheapermaterials in order to make more money per product or the way a job is completedsuch as what machinery is used for what tasks.

This attracts more customers andincreases the likelihood of sales. This is important to a companies’ businessplan because it allows companies to stay ahead of competition, and thereforegain interest from customers. It also introduces the opportunity of creatingtrends to the company, which can be monetised and would therefore increase thecompany’s profits. Also, creativity and innovation lead to higher productivitydue to the increased motivation of employees thanks to the increased creativefreedom it associates. For example, the company Google uses a Laissez Faireleadership style when it comes to their company’s innovative and creativedepartments, allowing employees creative freedom and responsibility, and todevelop the skills they already have, whilst also introducing new ones, increasing employee productivity.   So to conclude, the winning of contracts isvital to the success and meeting of a business’s plan because it is the winningof contracts that gives the company work, and therefore allows them to meettheir financial targets. Intellectual RightsPatents – These protect creator’s designs for things likemachines, machine parts and tools. This includes the owners actually drawingsof the designed product and prevents anyone from making one that is deemed toosimilar, or operates in a similar way to achieve the same goal, and thereforeif another company wants to use the design, then they have to pay the patentowner a fee in order to do so, making the owner money.

Copyrights – These protects pieces of text done by people andbusinesses such as books, product descriptions and even music, and preventspeople from copying it without having some changes made, or a fee being paid tothe Copyright owner. Design Registration – This protects a company’s physical products. Thisincludes aspects such as “ Appearance, physical shape, configuration (or how different parts of adesign are arranged together), decoration ” (gov. uk, 2017). Trade Marking – This protects a company’s logos by checking the “ words, sounds, logos, colours, ora combination of any of these” (gov. uk, 2017) for things like Product names, logosand jingles. All of these aspects combined arecrucial during the tendering process because when the tender is submitted, people can copy aspects of your tender for their own, potentially making theirtender better than yours by using your own designs against you.

To preventthis, a combination of the Intellectual rights above can be used to protect acompany’s designs, texts and logos. This ensures that a company’s tender cannotsimply be copied by another company, who could potentially win just by offeringa lower price. They protect by ensuring that ifsomeone does copy your ideas, and you have it protected, then you can thereforehire a patent or trademark attorney who will stake your claim to a judge, whowill decide if the product that is being produced by your competition is toosimilar, and if it is, you can then sue them for money and then prevent themfrom doing it in the future. Local ImpactThe local impact of successfultendering is that it both directly and indirectly creates jobs for the localcommunity, possibly increasing the strength of the company’s public reputationlocally. Also, it therefore increases the income to the local council, possiblyincreasing the quality and amount of infrastructure in place for the localcommunity, such as road quality and internet access, and a new, large tenderedprocess in the community could create public interest about the community, which could increase the local image to the rest of the country, adding a levelof prestige. However, there is also some negativeimpact to the community such as the increased amount of pollution from all ofthe construction and related vehicles, the disruption to the local communitiesday to day running from the influx of large vehicles coming in and out, possibly causing some traffic congestion or even just the increased number ofpeople in the area, putting strain potentially on the infrastructure currentlyin place, decreasing the quality of things like roads, covering them in mud, orhaving vehicles that are too heavy use them, or even the strain on servicessuch as water and power supply to the area. StatuaryControlsThese are the compulsory laws put inplace by the government and H+S bodies around the world.

These include meetingnecessary H+S laws and legislation such as the Health and Safety at Work Act1974, where employees have to care for the safety of themselves and othersaround them. Also, applicable environmental laws have to be abided by as tominimalize the constructions impact on the local environment, such as theparticulates created form construction, which could damage local ecosystems, sowould have to be controlled and contained.  M 2 Quality Assurance – This is the minimalizing of ways that theoverall quality of the finished product could be reduced by the processesduring the manufacturing process.

This involves processes such as ensuring themachines used are all to a high standard. Quality Control – This is checking and testing the finishedproduct for errors, and then making changes accordingly to prevent itcontinuing. This involves checks such as the dimensions and weight of thefinished product. Qualitycontrol and assurance both massively affect a company’s business plan because ahigh quality being guaranteed by a company provokes a sense of trust into thecustomer, making them more likely to purchase from them, as they know theywon’t be receiving a product that doesn’t do what it’s designed to, well enoughto the customer’s expectations. Also, quality control directly effects acompany’s financial forecasting, as the amount of returned products due toimperfections or problems in general would mean that the company has to replacetheir product for free, costing them money, and the likely hood of thishappening is drastically reduced by the implementation of methods of assuring ahigh quality, such as sensors throughout the production process. Also, havingthese sensors at every stage of manufacture allows for problems in themanufacturing process to be found easily and quickly, making the machines haveless down time if a problem occurs, which would completely halt production fora potentially long period of time, reducing their output, and therefore theamount of product they have available to be sold, decreasing sales. This ismassively reduced however by the implementation of the checks at every stage, as it then allows for the problem to be sourced, and therefore corrected, easily and quickly. Also, bothquality control and assurance will can be shown using a BSI kite mark on theproduct, which is done to prove to the customer that the product has beensufficiently tested and checked by the company, inspiring trust in thecustomer, as BSI is a widely recognised and trusted institute.

They alsohowever affect a company’s corporate expectations, as they massively effect theresponsibilities placed on employees. For example, they would mean thatemployees have to pay much more attention to detail as to ensure a higherquality throughout production, and reduce the possibility of human error in anyaspect of manufacture. Also however, it places a duty to report any processesor problems that could be potentially reducing the quality of the finishedproduct, meaning there is increased responsibility on the employee regardingthe overall product quality, and therefore company reputation. An exampleof Quality Assurance in use is at the Nestle factory in York, England, wherethe Kit Kats are produced, and throughout production they are weighed, scannedusing lasers to check their size, x-rayed to prevent any contaminants or debrisentering the product, and even taste tested as to ensure they have the desiredtaste. This is all done to ensure the customer is getting exactly what theywant and expect from the company, and the employees have a great amount ofcontrol of reducing the possibility of there being any problems, such asensuring they wear hair nets and don’t wear too mush deodorant, as these couldcontaminate the food, and also ensure they don’t leave tools near the food, asthey could fall in and clog up the machinery, causing a massive disruption tothe production process.