**SESSION PLAN**

**COURSE:** ABE Level 4 Enterprising Organisations

**ELEMENT:** Element 1: The basic principles of business

**LEARNING OUTCOME 1**

**Explain the various legal formations and status of private, public, and not-for-profit organisations (Weighting 25%)**

1.1 Identify the different types of organisational legal formations

1.2 Analyse the main reasons for operating a particular legal formation

**NUMBER OF SESSIONS:** Two- approximately eight to ten hours in total. LO1 Tutor Presentation E1; Activities 1 - 3

**SESSION TOPICS:** Session 1: Different types of organisation

Session 2: Reasons for legal formations

**Note to tutors: These are the recommended session outlines for Learning Outcome 1 of the ABE Level 4 Enterprising Organisations. You should follow the plan, using the resources (referenced as ‘slides’) and activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible.**

**SESSION 1: Different types of organisation (4-5 hours)**

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| Introduction to session and learning outcomes | Use file: **LO1 RESOURCE**  Assessment Criterion 1.1 | 1-4 | Listen |  |
| Different types of organisations | Background:   * In a mixed economy, we see a variety of different types of organisations operating * These can be privately owned, public sector organisations or voluntary (not-for-profit) organisations * They will have different objectives that they want to achieve * There are different types of legal formations of organisations from sole traders to Public Limited Companies (PLC) * The choice of legal formation is often one made to best suit the needs of the owner, the product or service offered and the type of market in which they serve. * An informal definition of stakeholders is: those affected by or who can affect an organisation * ‘People and groups that depend on the organisation and upon which the organisation itself depends’ *Johnson and Whittington* * A stakeholder can be an individual or a group * They also refer to some sort of connection between an organisation and its stakeholders | 5 | Listen, make notes and respond to questions |  |
|  | Facilitate **Class Discussion:**  Draw discussion together by highlighting that organisations exist for a variety of reasons ranging from profit to purpose. How they operate and the legal formats will differ according to a number of factors | 6 | Contribute to **class discussion**  The only reason for an organisation’s existence is to make profit  Discuss giving reasons for your point of view |  |
|  | Different types of legal formations   * Sole trader * Partnership * Private limited * Public limited * Co-operatives * Franchises * Social enterprise * Not-for-profit * Public sector * Non-governmental organisation (NGOS)   Refer to Study Guide to expand | 7 | Listen, make notes and respond to questions |  |
|  | Facilitate **Paired Activity 1**  Circulate the room, discuss the similarities and differences between different organisational legal formations. Note how difficult it is, from just interacting with an organisation to understand its formation. |  | Research different organisations and identify an organisation for each different type of legal formation.  How easy or difficult is it to identify the legal formation of an organisation  Listen, make notes and ask questions as necessary |  |
|  | Public sector – ownership and objectives   * Funded directly by the government or state * Provides services rather than generating a profit * Tend to be run for the benefit of broader society * Main objective is providing a public service.   Refer to Study Guide to expand | 8 | Listen, make notes and ask questions as necessary |  |
|  | Private sector – ownership and objectives   * Generally run by individuals and companies for their benefit * Vary in size from small individually owned businesses or sole traders to large multinational organisations * Overriding objective is to maximise profit, in order to generate money for the owners   Refer to Study Guide to expand | 9 | Listen, make notes and ask questions as necessary |  |
|  | Brief on **Homework Activity 2**  Research a public sector organisation of your choosing  Identify the objectives of the organisation, what are they trying to achieve?  What services does the organisation provide |  | Listen and ask questions as necessary  Individual activity as homework |  |
|  | Facilitate **Class Discussion:**  Draw discussion together by highlighting that organisations exist for a variety of reasons ranging from profit to purpose. How they operate and the legal formats will differ according to a number of factors |  | Contribute to **class discussion**  The only reason for an organisation’s existence is to make profit  Discuss giving reasons for your point of view |  |

**SESSION 2: Reasons for legal formations (4-5 hours)**

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** | |
| Different types of organisation | Facilitate feedback on **Homework Activity 2**  Share your research regarding a public sector organisation, its objectives of the organisation, what are they trying to achieve and the services the organisation provides | 10 | Contribute to discussion  Listen and makes notes |  | |
| Reasons for legal formation | Background – Reasons for operating a particular formation   * Find a need in the market place * Do what you love * Finance * Legal formation * Insurances and professional advice   Refer to Study Guide to expand | 11-12 | Listen, make notes and ask questions as necessary |  | |
| Facilitate **Class Discussion** to bring out the following points:   * What causes an organisation to be successful is wider than simply the person setting up the organisation * There is symbiotic relationship between organisation and its environment | 13 | **Class Discussion**  Having great ideas won’t ensure a business will thrive they need to meet the demands of their markets whilst successfully navigating the difficulties the external environment can bring.  Discuss |  | |
| Factors in operating legal format | Different factors in operating legal format   * Stakeholder expectations * Political * Economic * Market constraints, such as international and national regulatory restrictions   Refer to Subject Guide to expand | 14 | Listen, make notes and ask questions as necessary |  | |
| Brief on **Homework Activity 3**  Using an organisation with which you are familiar to identify the factors which are driving its legal format |  | Listen and ask questions as necessary  Individual activity as homework |  |
| Review of session and learning outcomes |  |  | Listen |  |