



Mark Scheme - Assignment

Level 4 Introduction to Entrepreneurship

General overview – word count

The recommended minimum word count is 3,000 words. Anything above +10% (3,300 words) will not be marked. Appendices and reference list are excluded from the word count and will not be marked.

Context

Bamber Noti is a trained chef with experience in making cakes, bread and sweet products. After working from a small rented unit selling pre-ordered celebration cakes, Bamber has decided to open a bakery and has found a shop on the high street of his town. The shop has outbuildings and was previously a restaurant so most of the catering equipment is already present.

Bamber has all the equipment needed for cake making but needs to purchase ingredients and packaging for the increased production.

The shop is located very close to a busy rail and bus station and many passengers pass by the front of the new bakery, on the way to catch trains and buses. Bamber is also considering selling other products to commuters passing by.

Bamber has \$3,000 in savings and estimates he will need \$4,000 for start-up costs, sales packaging and rental deposit for the new bakery. Bamber is applying to his local bank for a loan. The bank requires a business plan.

Assignment tasks

It is expected that you will propose your own business ideas for the bakery. These must be practical and justified at every stage.

As figures are not provided, you need to include reasonable assumptions in each section.

For the purpose of this assignment, a reference list is required.

Using this information, develop five sections of the business plan for the new bakery.

Your plan needs to include only the following sections:

Task 1 – 500 words

An executive summary

Task	Indicative content		Total
1	<p>For the executive summary, a list and brief summary of the business plan is expected It can include mission and vision statements but omission of these will not count against the student. The following is expected to be included, but the list is not exhaustive:</p> <ul style="list-style-type: none"> • Name of business • Trading status • Details of owners • Products to be sold • Sales and expected profit details • Analysis of market • Costs and financial measures • Non-financial measures • Resources <p>Marks awarded for any other constructive suggestion.</p> <p>For this section, the executive summary is a brief summary, so students are not expected to provide detail. However, a list is not sufficient here.</p> <p>3 marks max for each explained point.</p>		15
Level	Mark	Descriptor	
	0	No rewardable material	
1	1-6	<ul style="list-style-type: none"> • A limited attempt to demonstrate appropriate knowledge of relevant content for business plan • Few key issues identified with no analysis and limited breadth and depth of evaluation. • Work is mostly edited and proofread with some omissions/error • A list only will attract a max of 6 marks 	
2	7-11	<ul style="list-style-type: none"> • Coherent and competent structure of sections • Good breadth of understanding of what is required in each section of the business plan • Thoughtful and perceptive ideas generated considering this is a brief summary document • Work is edited and proofread and organised to a good standard 	
3	12-15	<ul style="list-style-type: none"> • Logical and well-focused section • Exceptional level of comprehension and substantiated ideas • Evaluation of ideas and justification of all proposals considering brevity required 	

Task 2 – 600 words

Business proposal and legal trading status

Task	Indicative content	Total
2	<p>Business proposal to include the product, location and aims for the business.</p> <ul style="list-style-type: none"> • Clear description of what is to be sold • The location of the business and why it has been chosen. • Research on bakery site (footfall etc) <p>Short, medium and long-term plans. Short term aims are acceptable but long-term goals will attract marks too.</p> <p>The answer may include nature of aims e.g. lifestyle business, developing family legacy.</p> <p>The owners will be named on the basis for this ownership (i.e. 100%) but no marks for inclusion of CVs.</p> <p>Marks for mission, goals and objectives of business if stated in this format.</p> <p>The most important company strengths and core competencies can be included here but marks can't be awarded in other sections for same concepts.</p> <p>Trading status will focus on the legal structure of the business, discussing reasons for set up.</p> <ul style="list-style-type: none"> • Common options will be sole trader, partnership, private limited or a charitable status such as social enterprise. • Sound reasoning why the structure has been chosen is required. <p>The names and details of owners maybe included in either section but points will not be awarded twice</p> <p>No marks will be awarded if answer refers to internal structure rather than legal structure Max 2 marks per each reasoned point Max 10 marks for discussed business proposal Max 10 marks for discussion of legal trading status</p>	20
Level	Mark	Descriptor
	0	No rewardable material
1	1-8	<ul style="list-style-type: none"> • A limited attempt to demonstrate appropriate proposals and understanding of legal trading status • Few key issues identified with no analysis and limited breadth and depth of evaluation • Work is mostly edited and proofread with some omissions/errors
2	9-11	<ul style="list-style-type: none"> • An attempt to demonstrate appropriate proposals for the bakery • Some key issues identified with partial analysis and limited breadth and depth of evaluation • Limited knowledge of legal structures and the benefits of structure chosen • Work is mostly edited and proofread with some omissions/errors • A list only will attract a max of 6 marks
3	12-14	<ul style="list-style-type: none"> • If either the business proposal or legal trading status is covered only, a max of 10 marks is awarded • Coherent and competent proposals and legal trading status • Good breadth of understanding of what is required and the reasons for selecting aims and trading status

		<ul style="list-style-type: none"> • Good selection of references and experience of other start-ups in deciding structure • Good knowledge of legal structures and the benefits of structure chosen • Work is edited and proofread with minimal omissions/errors
4	15-20	<ul style="list-style-type: none"> • Logical and well-focused section • Exceptional level of comprehension which is well presented • Substantiated ideas on trading status and clear commentary on business proposals • Evaluation of ideas and justification of all proposals • Evidence of reading and effective information researches in business planning.

Task 3 – 600 words

Target market

Task	Indicative content	Total
3	<p>Investigations into target market</p> <ul style="list-style-type: none"> • Evidence of market research and understanding of forms of research conducted (including desk and field research) • If research indicated for footfall in section 2, do not further award points here • Value of bakery products in food sector • Competitors and other products consumed by commuters • Market for continuing cake business and focussing only on this sector <p>Barriers to entry for the bakery</p> <ul style="list-style-type: none"> • Explanation of how these will be overcome <p>SWOT</p> <ul style="list-style-type: none"> • For each how the business will address or use these attributes <p>Competition and buying patterns</p> <ul style="list-style-type: none"> • Including primary research conducted in this area – such as market share and dominance of competitors <p>USP of Bamber's business and competitors</p> <ul style="list-style-type: none"> • Why this is important to the business and how to focus upon the USP <p>Seasonality of trade and purchasing preferences</p> <ul style="list-style-type: none"> • How Bamber will ensure this does not cause cash flow shortage and how will manage seasonal increase in demand <p>Differences between working and non-working days (traffic flow to station)</p> <ul style="list-style-type: none"> • How Bamber will manage staffing and production variances <p>Access to product and supplier</p> <ul style="list-style-type: none"> • Contingencies and managing food supplies and storage <p>Demonstration of Five forces (or other) competitive strategies</p> <ul style="list-style-type: none"> • How they apply to Bamber's bakery <p>Max 2 marks for each reasoned point No marks for previously discussed points in other sections of business plan</p>	20
Level	Mark	Descriptor

	0	No rewardable material
1	1-8	<ul style="list-style-type: none"> • A limited attempt to demonstrate appropriate knowledge of relevant content for target market • Few key issues identified with no analysis and limited breadth and depth of evaluation • Work is mostly edited and proofread with some omissions/errors
2	9-11	<ul style="list-style-type: none"> • An attempt to demonstrate appropriate knowledge of strategies for the bakery • Some key issues identified with partial analysis and reasonable breadth and depth of evaluation • Reasonable knowledge of progressional practices partial application theory
3	12-14	<ul style="list-style-type: none"> • Coherent and competent structure of ideas and strategies sections • Good breadth of understanding of what is required to analyse competition and the marketplace • Thoughtful and perceptive ideas generated • Work is edited and proofread with minimal omissions/errors
4	15-20	<ul style="list-style-type: none"> • Logical and well-focused answer • Exceptional level of comprehension and use of entrepreneurial theories • Evaluation of ideas and justification of all proposals • Evidence of reading and effective information research in methodologies and application of business systems

Task 4 – 700 words

Pricing and customer strategies

Task	Indicative content	Total
4	<p>Pricing</p> <ul style="list-style-type: none"> • Decision and justification for the pricing strategy e.g. penetration market, or premium pricing • Sensitivity to pricing changes • Impact of costs in pricing – fixed and marginal • Prices to be charged for key products and comparisons with competitors • Discussion if any laws need to be applied in provision of basic food supplies • If plans are to change pricing strategy over time, discussion on reasons why • Porters Generic strategy can be discussed here too <p>Customer strategy</p> <ul style="list-style-type: none"> • Customer segmentation and preferences • Customer power and influence over price • Ability to switch to a substitute or alternative • Indirect competitors <p>Customer service</p> <ul style="list-style-type: none"> • Customer service initiatives • Customer service standards and meeting expectations • Use of current customer base for Bamber’s cake business <p>Some theories may be discussed as part of marketing, points cannot be awarded twice for repeating ideas raised in earlier sections A list only will attract a max of 8 marks For pricing strategies: max 2 marks per reasoned statement to a total of 15 marks For customer strategies: max 3 marks per reasoned statement to a total of 10 marks</p>	25
Level	Mark	Descriptor

	0	No rewardable material
1	1-9	<ul style="list-style-type: none"> • A limited attempt to demonstrate appropriate knowledge of relevant content for pricing and customer strategies • Few key issues identified with no analysis and limited breadth and depth of evaluation • Work is mostly edited and proofread with some omissions/errors
2	10-14	<ul style="list-style-type: none"> • An attempt to demonstrate appropriate knowledge of relevant content for pricing and customer strategies • Some key issues identified with partial analysis and limited breadth and depth of evaluation, such as a list of contents without any detail for most items • Work is mostly edited and proofread with some omissions/errors • A list only will attract a mx of 8 marks
3	15-18	<ul style="list-style-type: none"> • Coherent and competent structure of sections • Good breadth of understanding of what is required in each section of the business plan • Thoughtful and perceptive ideas generated for pricing and customer strategies • Work is edited and proofread and organised to a good standard
4	19-25	<ul style="list-style-type: none"> • Logical and well-focused section • Exceptional level of comprehension and substantiated ideas • Evaluation of ideas and justification of all proposals considering brevity required • Evidence of reading and effective information research in common pricing and customer strategy methodologies

Task 5 – 600 words

KPIs: financial and non-financial

Task	Indicative content	Total
5	<p>Targets for achievement of the business</p> <ul style="list-style-type: none"> • SMART criteria to apply <p>Demonstration that Bamber knows what success looks like (link to targets in task 3)</p> <p>KPIs – Financial: a measurable value to demonstrate the position of an objective Examples include:</p> <ul style="list-style-type: none"> • Profit – gross / net • Total costs • Cost of goods sold • Cash flow • Working capital • Sales <p>KPIs - Non-financial: while financial KPIs are the focus to enable the bakery to remain solvent, non-financial KPIs help measure the success of a business too Examples include:</p> <ul style="list-style-type: none"> • Hours worked • Wastage • Complaints • Efficiency of baking to point of sale • Time left unsold • Product turnover ratio • customer satisfaction 	20

		<p>Stretch targets are expected too</p> <p>List of targets only will attract a max of 6 marks only 2 marks per discussed KPI Max 2 marks per discussion on need for KPI and stretch targets Max 10 marks for discussion of each financial KPI Max 10 marks for discussion of each non-financial KPI</p>
Level	Mark	Descriptor
	0	No rewardable material
1	1-8	<ul style="list-style-type: none"> • A limited attempt to demonstrate appropriate knowledge of relevant performance measures • Few key issues identified with no analysis and limited breadth and depth of evaluation • Work is mostly edited and proofread with some omissions/errors
2	9-11	<ul style="list-style-type: none"> • An attempt to demonstrate appropriate knowledge of KPIs and the need for performance measurement • Some key issues identified with partial analysis and reasonable breadth and depth of evaluation • A list of KPIs will attract a max of 6 marks
3	12-14	<ul style="list-style-type: none"> • Coherent and competent suggestions for KPIs • Good breadth of understanding of what is required to measure success • SMART objectives generated • Work is edited and proofread with minimal omissions/errors
4	15-20	<ul style="list-style-type: none"> • Logical and well-focused section • Exceptional level of comprehension of performance management and measurement • Evaluation of ideas and justification of all proposals • Evidence of reading and effective information research in common performance management methodologies