

**ACTION BASED ACTIVITIES**

**TOPIC N5.3 CREATING A BUSINESS PLAN**

**THEME N5 EDUCATION AND TRAINING**



**APPLICATION OF NUMBER**

**LEVELS 1 & 2**

**ISSUED SEPTEMBER 2005**

# INSTRUCTIONS

## WHAT DO I DO?

Use this Theme Template to help you:

- plan an Action-based Activity on the theme of Education and Training
- carry out an investigation into the subject
- produce evidence needed for your portfolio.

**NOTE:** Use this booklet WITH your Learner's Planner and Guide.

## WHAT IS ASSESSED?

*Education and Training* is one of six themes you can choose for your Action-based Activity/portfolio work. It includes topics such as:

**N5.1 Handling Money**

**N5.2 Work**

**N5.3 CREATING A BUSINESS PLAN**

## APPLICATION OF NUMBER

### TOPIC N5.3 CREATING A BUSINESS PLAN

### TOPIC N5.3 CREATING A BUSINESS PLAN

If you are planning to start a business or to begin a project it is vital that you create a business plan. You will then be able to show potential investors your prospects and check how well you are doing at regular intervals. This Template will take you step by step from getting started, to writing and checking your final pieces of work. Each step follows Part Two of your *Learner's Planner & Guide*, so read it alongside this Theme Template.



It's a good idea to follow this advice.



You must do this to get the qualification.



**STEP  
A**



### CHOOSING A TOPIC

One of the best ways to start thinking about a subject is to *mindmap*. You can find how to do this on page 5 of the *Learner's Planner & Guide*.

#### TASK 1

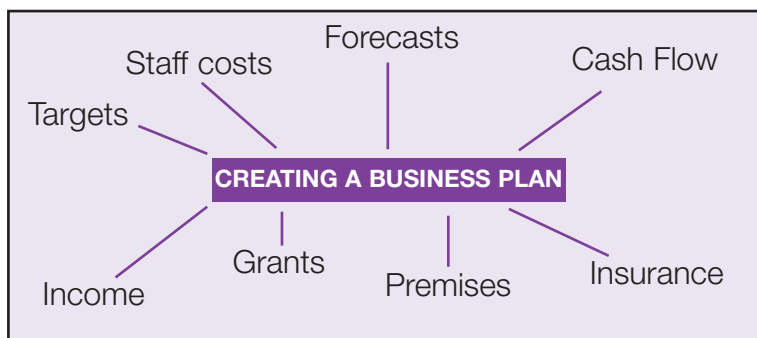
Allow about  
20 minutes

On your own, or with a colleague, think about and talk about "Creating a Business Plan" and aspects of it you might like to study.

Work together to make a **mindmap** of the subject. You may want to think about:

- how can I get advice about producing one?
- is there a support group for small businesses nearby?
- do I have the information I need for forecasting future sales etc?
- what are the headings for the costs that I will have to bear?
- can I work out the actual costs for each heading?
- where can I buy the right equipment at the right price?
- what will I do if I don't meet my targets?

**PORTFOLIO EVIDENCE** – You could copy and add to the unfinished example below. This could then go into your portfolio as evidence that you have thought about your chosen subject.



**ESSENTIAL SKILLS**  
**ACTION BASED ACTIVITIES**



*Continued*

**TASK 2**  
Allow about  
15 minutes

When you have made your mindmap, focus in on one or two ideas that:

- interest you
- will be easy to research and get information about (talk to your tutor if you are unsure).

Write these ideas down and then try to turn them into **QUESTIONS**. This will help when you write up your conclusions later. The examples in the box may help you do this.



**Topic : Creating a Business Plan**

Original Idea	Question
<b>Support</b>	Where do I find a small business adviser?
<b>Suppliers</b>	How do I compare the prices from various suppliers?
<b>Forecasting</b>	How do I forecast future sales etc?

**TASK 3**  
Allow about  
10 minutes

In your portfolio, write down your chosen title/question.

Check with your tutor that it is okay. (Remember, you can always change it later if necessary.)

**TASK 4**  
Allow about  
30 minutes

**PLAN** – It’s a good idea next to draw up a plan of action. Make a table and on it write down what you intend to do and when you will do it by. Highlight key dates and deadlines (e.g. when you are giving a talk or having a discussion).



**APPLICATION OF NUMBER**  
**TOPIC N5.3 CREATING A BUSINESS PLAN**



### CHOOSING & INTERPRETING INFORMATION

Interpreting information from suitable sources is an essential part of the qualification and you must be able to show that you have collected, read and extracted information from **DIFFERENT** sources.

There are lots of ways of finding information on such as:

- books and other resources in the library
- magazines and newspapers
- using the Internet
- talking and interviewing people
- television and radio programmes

#### TASK 5

Allow about  
2-3 hours

Look for suitable documents to read. Remember:

- at **both levels 1 and 2** you must use **TWO** different sources of information.
- overall **at level 1** at least one source must include a table, chart, graph or diagram
- **at level 2** at least one source must include material containing a chart or a graph.

You will need to make careful notes as you work.

Put these in your portfolio (see also pages 8 and 9 in the *Learner's Planner & Guide*).



#### Topic: "Creating a Business Plan"

**Title of document:** "Starting Your Business – Getting Finance"

**Date:** 10 March 2004

**Author:** Royal Bank of Scotland

**Chapter:** [http://www.rbs.co.uk/small\\_business/starting\\_your\\_business/getting\\_finance/default.htm](http://www.rbs.co.uk/small_business/starting_your_business/getting_finance/default.htm)

#### Information on:

1. What a plan is.
2. How to write a plan.
3. How to seek funding.
4. How to find grants.
5. Where to go for help.

**Summary:** In your own words, write up what you have read.  
**This is a major piece of evidence.**



**ASSESSMENT** Your tutor will assess that:

- you have chosen the information you need
- you have obtained the information needed
- you have identified the best methods to get the results you need.

Remember to label sources clearly.



**CARRY OUT AND CHECK CALCULATIONS**

Carrying out and checking calculations is an essential part of the qualification. At each level you are required to carry out calculations to do with:

a. amounts/sizes	3	3
b. scales/proportion	3	3
c. handling statistics.	3	3
d. using formulae		3

It may be difficult to cover all the required calculations for this topic (See *Learner's Planner & Guide*, page 10).

**TASK 6**

Allow about  
1 hour

**1. Carry out calculations.** You will need to:

- pick out the data/information you think will be useful
- decide on the calculations you need to find the results you want
- show calculation methods clearly
- check calculations and correct any errors

**At Level 2** calculations must involve two or more steps

Talk this over with your tutor if you are at all unsure. A few ideas are given below.



**CARRYING OUT AND CHECKING CALCULATIONS**

**Examples – Carrying out and checking calculations**

**At level 1:**

- you might use information collected first hand as the basis of calculations (eg what my expenses are likely to be). You might carry out calculations using data from a secondary source such as a small business adviser containing tables, charts, diagrams or line graphs.

**At level 2:**

- your calculations will be more complex, perhaps comparing two sets of data on a similar subject.



**ASSESSMENT** Your tutor will assess:

- how well you carried out your calculations (including your working)
- that you checked your methods
- that you spotted and corrected any errors
- that your results make sense.

**STEP  
D**



### INTERPRETING RESULTS & PRESENTING FINDINGS

Having collected, sorted, extracted data and carried out calculations based on them, you are now ready to interpret your findings.

#### TASK 7

Allow about  
3 hours

1. Go through all the information you have collected and sort it out carefully. Keep only relevant information and make sure EVERYTHING is properly labelled.
2. Now sift through again and, on notepaper, write down your main findings and conclusions. Remember, your first question (Task1)? Can you now answer your question?
3. Think how you will present your information.
 

**Remember:**

  - At level 1 you have to present it in **two** different ways using charts or diagrams
  - At level 2 you need to present it in **two** different ways using graphs, charts or diagrams.

Other points to consider:

  - Which graphs, charts or diagrams will you use to present you findings?
  - How do the results of your calculations relate to the purpose of the action-based activity?  
(See Learner's Planner and Guide page 12)

#### TASK 8

Allow about  
3 hours



At this stage you will be required to present your findings to a tutor or supervisor. Before you hand your work in, check that:

- you have covered all requirements intended
- that each section has suitable headings/labelling
- that diagrams, charts, maps etc are properly labelled
- pages are numbered
- there is a contents page.

**N.B. There is a checklist on page 14 of the Learner's Planner and Guide**



It is a good idea to produce a draft plan/outline of what you will include in your final presentation. An example is given on the next page.

STEP  
D



**INTERPRETING RESULTS & PRESENTING FINDINGS**  
*continued*

**EXAMPLE OF A DRAFT PRESENTATION PLAN**

**Topic: Creating a Business Plan**

1. I will present my work as a **short report** (computer typed and to include graphs, tables etc) with the sections below.
2. **Introduction** – will include what I wanted to find out and why it interests me.
3. **Method** – a short section saying how I set about collecting data/information e.g. interviewed 20 people to find out what costs they would have included if they were running the business.
4. **Calculations and Interpretation** – I will include how I extracted information from the data collected; how I worked out averages; analysis of results of interviews with people.
5. **Presentation** – I will use written information and diagrams – mainly tables, graphs and pie charts.
6. **Appendices** – to include some data from the Internet and business advisers, copy of questionnaire used to interview people.

I must remember to number pages and add a Contents page.



**ASSESSMENT** Your tutor will assess your work as follows:

**At level 1** you will be assessed on:

- how you have interpreted the results of calculations
- suitable choice of chart or diagram with appropriate labels and correct use of units
- how you have explained what the chart or diagrams show.

Additionally **at level 2** you will be expected to:

- describe the methods you have used
- explain the results of calculations in terms of how they meet the purpose of your chosen Activity.

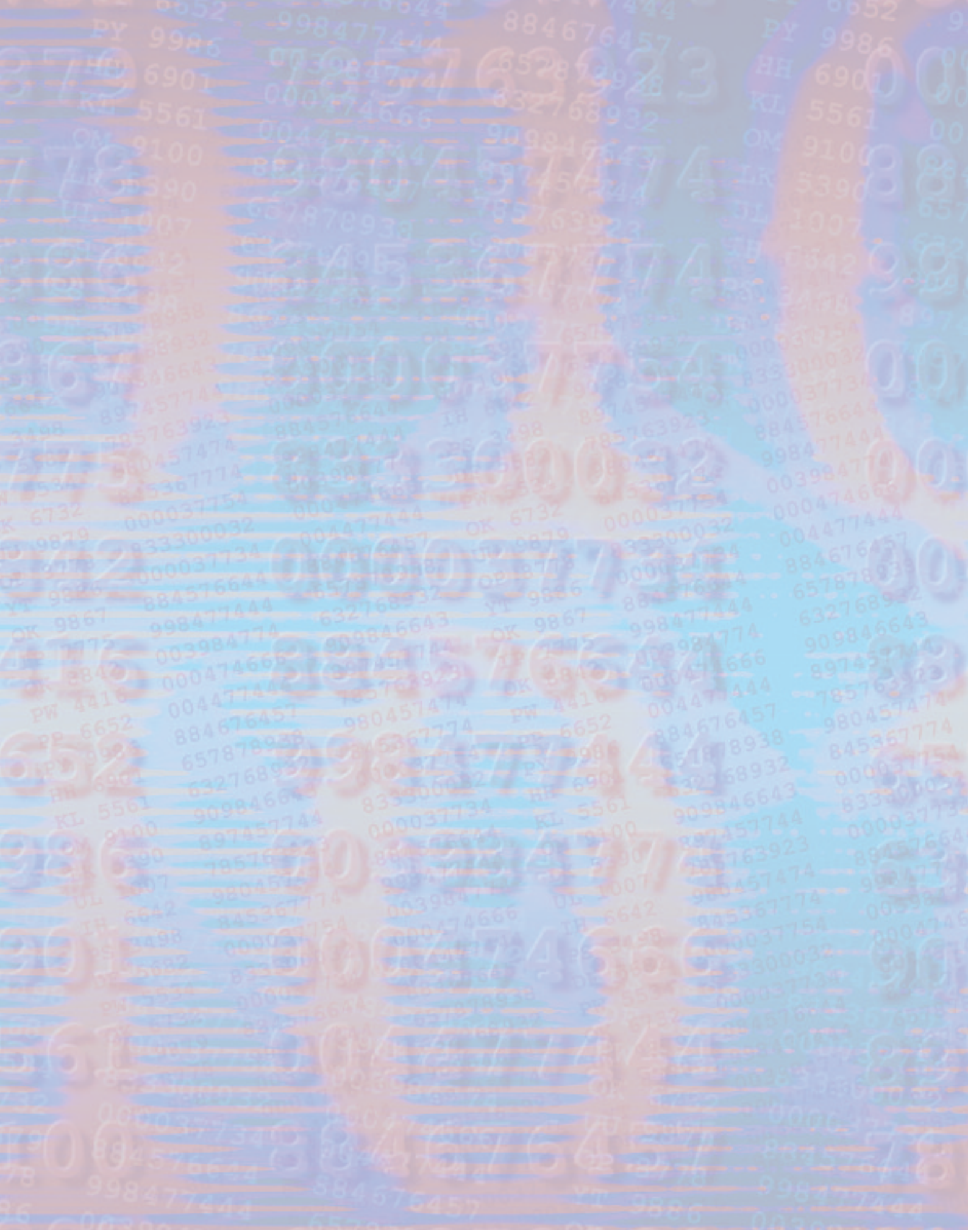
**CREATING A BUSINESS PLAN  
MORE ACTION-BASED ACTIVITY IDEAS**

In all these cases think about the ways you could bring Application of Number into your work  
Organising a survey and representing the results clearly and accurately will benefit your work.

- 1. How can grants help me with setting up my business?**  
Investigate the grants available in the area in which your business will be operating.  
Are the grants just for start-up costs or can you get on-going support?  
Calculate the benefits to your business if you can get a grant and present your findings in an appropriate manner.
- 2. How much can I borrow to support my business?**  
Investigate a variety of funding sources and compare what they offer.  
Using your business plan, calculate whether this support is sufficient to make the business viable.  
Present your conclusions in an appropriate format.
- 3. What makes a good business plan?**  
Compare two business plans in a similar area of work.  
Analyse the differences and make a judgment as to which plan would be more effective.  
Survey a group of people to see if they agree with your findings.  
Present your conclusions in an appropriate manner.
- 4. How do large businesses succeed?**  
Look at the annual report of a large successful company.  
Analyse the way it spends its money and how it receives its income.  
Consider whether these proportions match those of your proposed business.  
Report your findings in an appropriate manner.







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COUNCIL FOR THE CURRICULUM EXAMINATIONS AND ASSESSMENT

29 Clarendon Road, Clarendon Dock, Belfast BT1 3BG

☎ +44 (0)28 9026 1200

✉ +44 (0)28 9026 1234

☎ +44 (0)28 9024 2063

✉ info@ccea.org.uk

🌐 www.ccea.org.uk

