

Business

Business Studies is about understanding how businesses start up and how they evolve through successful decisions and by adapting to an ever-changing world. In undertaking this course, you will gain a strong understanding of business by studying ten units over the two years, six in year one and four in year two. For each of these units you will be formally assessed.

In year one, we start the course looking at what a business is and the role of managers and leaders within the organisation. We then go on to look at the four functional areas: human resources, finance, marketing and operations.

In year two, we focus more on the strategic aspect of business, looking at areas such as the role of the external environment on decision making, how to manage change and how to choose the strategic direction of the firm.

One of the main differences between GCSE and A level work is the nature of independent study – you must be prepared to read around the subject to enhance your knowledge and develop opinions that you can share in the written form.

The Exam Board that we work with is AQA www.aqa.org.uk and you will be externally assessed at the end of your 2nd year by sitting 3 exam papers each of which are 2 hours long.

Progression routes

Many students may go on from this course to study business-related degrees. This course can also provide a useful foundation to pursuing business-related careers and interests, including entrepreneurship and setting up your own business. Equally, if the university route isn't for you, there are a wide range of apprenticeships that link to an interest in business.

Preparation for Year 1

"Inside Aldi"

This task should provide you with a considerable range of work that will be meaningful as it will be used to shape the first few lessons when you start studying business in the sixth form. Below you will find 4 tasks to complete all based around the Channel 5 documentary "Inside Aldi"

Create your own document where you will complete these tasks and don't forget to bring it in to school to share with the other members of your business class in September!

<https://www.channel5.com/show/inside-aldi-britain-s-biggest-budget-supermarket>

Task 1: Inside Aldi: Britain's Biggest Discount Store Part 1

A good business student not only knows their theory, i.e. the content that is on the specification, but also thinks business. Business is a subject that surrounds us all day every day. We start to spot the actions taken by businesses and ask "Why?"; we start to question how we interact with business and the factors that influence our decisions; we start to question what is happening in society and the economy. A good business student is inquisitive.

Who are the key players in the UK's supermarket industry?

Market share is the % of an industry controlled by one business.

We would describe the supermarket industry as competitive. What do you think this means?

A business will take actions to try and gain market share by having a competitive advantage. This means a feature or features of the business that allows it to perform better than others in the industry. Watch the first part (approx. 15 mins.) of the Channel 5 documentary "Inside Aldi".

Draw a spider diagram to show any actions that you think Aldi takes to gain a competitive advantage.

Whilst watching this video you were introduced to some key business concepts.

The marketing mix is the combination of elements of marketing that are used to influence customers buying habits. The four Ps of the marketing mix are product, place, price and promotion. The four P's of the marketing mix is often extended to seven Ps, this includes people, physical environment and process.

Is there anything you could now add to your spider diagram?

Aldi gains a competitive advantage by charging low prices. It achieves this by making cost savings.

Watch this short YouTube video to learn about total costs.

YouTube https://www.youtube.com/watch?v=CJEkTyj_3Fg&t=5s

Is there anything you could now add to your spider diagram?

In business you will learn a lot of new terminology. In this task you have been introduced to 6 key terms.

- Market share
- Competitive advantage
- Marketing mix
- Total costs
- Fixed costs
- Variable costs

Research and note down the definitions of each other these

Task 2: Inside Aldi: Britain's Biggest Discount Store Part 2

In year 1 of studying business a lot of the content covered is about tactics. These are short term actions taken by a business. In year 2 you study more about strategy. These are the medium to long term actions taken by a business.

In the first part of the programme you watched, a statement made about the growth of Aldi in the UK was "It is nothing but good for the supermarket industry and for shoppers". Here the industry would include competitors and suppliers. Shoppers would include customers and the community. These are called stakeholder groups.

A stakeholder is anyone who is affected by or interested in the actions of a business.

Consider the extent to which you agree with this statement based on each stakeholder's point of view. Justify your decisions. Stakeholder to include are:

- **Competitors**
- **Suppliers**
- **Customers**
- **Community**

Watch the second part (approx. 15 mins.) of the Channel 5 documentary "Inside Aldi".

Add to your spider diagram to show any actions that you think Aldi takes to gain a competitive advantage.

What evidence is there of Aldi successfully cutting costs and increasing efficiency?

A topic you will study in year 1 is **motivation**. Motivation is the reasons why people behave in the manner that they do. A business that can motivate the workforce is likely to gain a competitive advantage. Motivation can take the form of financial incentives e.g. bonuses and non-financial incentives e.g. increased responsibility.

What evidence is there of Aldi motivating its workforce?

Business is sometimes a power battle. Big businesses will use their power to influence suppliers. This can be in the form of forcing suppliers to offer lower prices or, in the video you have viewed, forcing suppliers to stop supplying products to a competitor.

Why do big businesses have power?

Ethics is behaving in a way that is thought to be morally correct.

To what extent do you think the big supermarkets behaved in an ethical manner when faced with the threat of Aldi entering their market?

Branding is a promotional method that involves the creation of an identity for the business that distinguishes the business and its products from its competitors.

How important is branding to you and why?

How has Aldi challenged our perception of brands?

If you have a favourite brand what is it and why?

In 2013 Aldi had 300 stores in the UK. By 2017 this had increased to 600 and 874 by 2020. An important quantitative skill in Business is the ability to calculate percentage change. Recreate the table below to show percentage change between these years.

2013	2017	2020
300 stores	600 stores	874 stores
% change:		

If you are unsure how to do this watch the following YouTube clip:

<https://www.youtube.com/watch?v=FOsrkEiZUlg>

In business you will learn a lot of new terminology. In this task you have been introduced to 6 key terms.

- Tactics
- Strategy
- Stakeholders
- Motivation
- Ethics
- Branding

Research and note down the definitions of each other these

Task 3: Inside Aldi: Britain's Biggest Discount Store Part 3

Next year, your business teacher will introduce you to legal structures or business ownership. This is the legal ownership that a business adopts. This can be unlimited liability businesses such as a sole trader or limited liability companies, be they publicly or privately owned. Unlimited liability means that the personal assets of the owner(s) are at risk. This means if the business got into debts the owner may have to sell their personal possessions to cover this debt. For example, a sole trader may have to sell their family home and car to cover the debts of the business.

Limited liability means that the owners are only responsible for, and therefore only risk losing, the amount they have invested or promised to invest. Their personal belongings are safe.

Watch the third part (approx. 15 mins.) of the Channel 5 documentary "Inside Aldi".

What is the legal ownership of Aldi?

What are the advantages and disadvantages of this over being a public limited company? (From Aldi's prospective)

Businesses are affected by external influences. These are factors outside of the control of the business that can have a positive or negative affect on the business. For example, they may affect costs or demand. Demand is the number of customers who are willing and able to buy goods at a given price at a given point in time.

Watch this short YouTube video to learn about demand.

YouTube <https://www.youtube.com/watch?v=YuV9RRqahVY&t=107s>

Was the financial crisis a positive or negative influence for Aldi? Justify your answer.

Businesses may target a specific market segment. Market segmentation is the process of categorising customers into groups with similar characteristics. One way of segmenting the market is by income or socio-economic group.

Socio-economic groupings

A – Higher managerial such as chief executives and directors

B – Intermediate managerial such as solicitors, accountants and doctors

C1 – Supervisory, clerical or junior professional such as teachers and junior managers

C2 – Skilled manual such as plumbers, electricians and carpenters

D – Semi and unskilled workers such as refuse collectors and window cleaners

E – Pensioners, casual workers, students and unemployed

What evidence is there of Aldi's market segment having changed over time?

Promotion includes advertising and sponsorship. With reference to Aldi, write your own definition of each of these terms.

What evidence is there of Aldi using its branding to gain a competitive advantage?

In business you will learn a lot of new terminology. In this task you have been introduced to 10 key terms.

- Legal structure/business ownership
- Limited liability
- Unlimited liability
- Private limited company
- Public limited company
- Market segmentation
- Socio-economic group
- External influences
- Advertising
- Sponsorship

Research and note down the definitions of each other these

Task 4: Inside Aldi: Britain's Biggest Discount Store Part 4

Many established businesses will have an objective of growth. This can be done internally (organically) where the business grows in its own right e.g. opening new stores or expanding its product range. Or it can be done externally (inorganically) by acquiring other businesses.

Watch the fourth part (approx. 15 mins.) of the Channel 5 documentary "Inside Aldi".

Write a paragraph to explain how Aldi has achieved growth and what evidence there is of this.

Your challenge is to include as many of these terms in your paragraph as you can – show off your knowledge of business!

Market share, Competitive industry, Competitive advantage, Marketing mix, Organic growth
Inorganic growth

E-commerce is the selling of goods and services over the internet. Unlike other major supermarkets, Aldi does not offer e-commerce.

What are the advantages and disadvantages of this to Aldi?

SWOT analysis looks at the internal strengths and weaknesses and external opportunities and threats to a business. One threat is that of new entrants to the market.

Tesco opened Jacks and Amazon has entered the grocery market.

Should Aldi be worried? Justify your answer.

Corporate social responsibility (CSR) is a business' willingness to accept its ethical obligations to all of its stakeholders. The ability to carry out independent research and read around your subject are important skills in all subjects in the sixth form and beyond.

Carry out some research into the Oxfam study

<https://www.oxfam.org/en/take-action/campaigns/end-suffering-behind-your-food/supermarkets-scorecard>

Look at Aldi's commitments to corporate responsibility

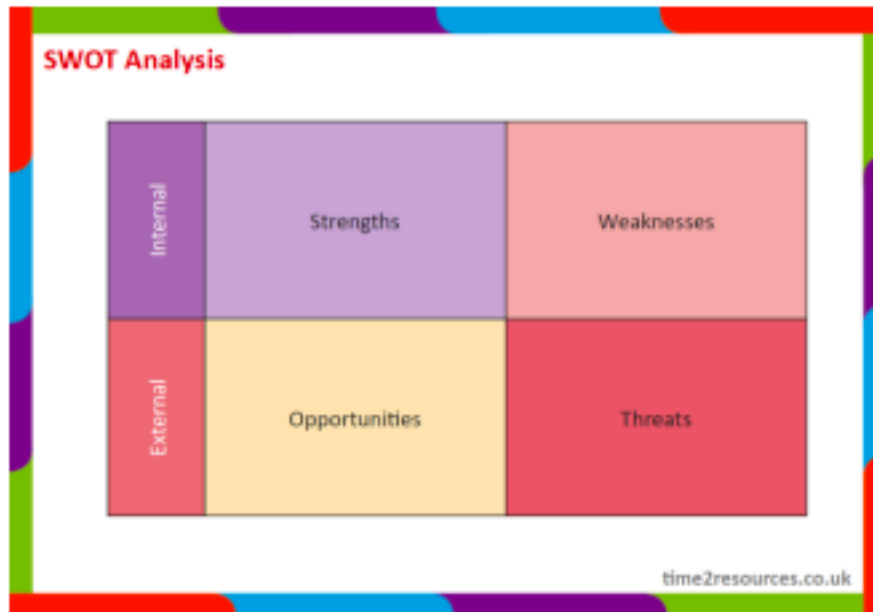
<https://www.aldi.co.uk/corporate-responsibility>

How would you rate Aldi's CSR? Justify your answer.

In this task you have looked at some key year 2 concepts as well as year 1.

Consolidate all of your notes into a SWOT analysis for Aldi.

(You could produce this as a word document or by drawing it out on a large piece of paper)



In business, you will learn a lot of new terminology. In this task you have been introduced to 7 key terms.

- Objective
- Growth
- Internal (organic) growth
- External (inorganic) growth
- E-commerce
- SWOT analysis
- Corporate social responsibility

Research and note down the definitions of each other these

If you have enjoyed your study of Aldi, another Channel 5 documentary is “Inside Waitrose”.

Your summer reading list

Anyone can do it – Duncan Bannatyne	The Rise And Fall Of Marks & Spencer: and How It Rose Again – Judi Bevan	What You See Is What You Get: My Autobiography by Alan Sugar
Screw it lets do it – Richard Branson	The Virgin Way – Richard Branson	The New One Minute Manager – Blanchard & Johnson

Recommended websites/follow on Twitter/ Apps on your mobile

www.tutor2u.net <i>Excellent business website with everything you need to learn for Business A Level, presentations, videos, revision quizzes.</i>	www.bbc.co.uk <i>Excellent news website with everything you need to learn about what is going on in the world today.</i>	www.londonstockexchange.com <i>Excellent website with everything you need to learn about share prices and market capitalization.</i>
https://beta.companieshouse.gov.uk/ <i>Excellent website which allows you to research any registered Private Limited Company LTD in the UK.</i>	https://ig.ft.com/sites/numbers/economies/uk/ <i>Excellent website for researching the UK economy at a glance.</i>	https://www.youtube.com/channel/UCIJ4pk3uzyWoeoBkGs0hxQ <i>Really useful YouTube channel with wide range of revision videos on all business A-level topics.</i>

And of course, you can follow our department on twitter, where we post lots of interesting articles for you to read too - @wgsbusiness

Your summer watch list

The Nine to Five with Stacey Dooley - BBC	Tricky Business – 4OD	Beauty Laid Bare - BBC
The True Cost - Netflix	Broken – Netflix	Inside Cadbury chocolate secrets unwrapped - YouTube
Food unwrapped– 4OD	Inside the supermarket - YouTube	Panorama: Amazon: what they know about us - BBC
Panorama: Amazon: the Truth Behind the Click - YouTube	Pepsi vs Coke – Amazon prime	Jobs Vs Gates: The Hippie And The Nerd – Amazon prime
Starbuck unfiltered – Amazon prime	Facebook – Cracking the code – Amazon prime	Data centre the true cost of the internet – Amazon prime
Learn From The Experts - Jeff Bezos, Amazon Founder – Amazon prime	Learn From The Experts - Elon Musk, Tesla and SpaceX – Amazon prime	The millennial dream – Amazon prime
Business mindset for success – Amazon prime	Steve jobs – Billion Dollar Hippie – Netflix	American Factory – Netflix
The Founder - Amazon prime or Netflix	Deep Water Horizen – Amazon prime	Trump – What’s the deal – Amazon prime
The Internship – Amazon prime	The Social Network – Netflix	The Big Short – Netflix