

WELCOME TO A LEVEL BUSINESS STUDIES

Mr Shelton & Mrs Clarke



What will I study?



Year 12

- Introduction to businesses
- Managers, leadership and decision-making
- Decision making to improve business performance

Year 13

- Analysing the strategic position of a business
- Choosing strategic direction
- Strategic methods: how to pursue strategies
- Managing strategic change

How is the course structure?



- Exam board: AQA
- 3 external assessments:
 - Paper 1
 - Combination of multiple choice questions, short answer and essay questions
 - Paper 2
 - A variety of case study questions
 - Paper 3
 - Questions based on one large case study
- The course is delivered by two teachers

Enrichment

- Young Enterprise
- Employer talks
- Revision workshops
- Trips and Visits
 - London (2 nights Jan 2022)
 - Bank of England
 - Chelsea Football Club
 - West End Show
 - London Dungeon
 - London Eye
 - Museum of Brands
 - JCB (May 2022)
 - Coca Cola (Date TBA)



What careers can the study of Business lead to?



- Higher education/apprenticeships

- There are a number of apprenticeship and university options your A-level in Business Studies will offer you, including, business, economics, management, administration, digital marketing, accounting and finance

- Career choices

- Possible career choices with A-level Business Studies include management, marketing, finance, accounting, banking, retailing, manufacturing and local government.



Why study Business Studies?

- To be challenged to think critically about a variety of business situations and propose solutions to real world problems
- To study topics and issues that are relevant in society today
- To equip yourself with the skills and knowledge needed to start your own business or have a successful career in a wide range of industries
- To prepare for university or a higher/degree level apprenticeship
- To develop transferable skills valued in a range of industries and careers, such as interpreting and analysing data, applying knowledge to unfamiliar situations, developing arguments and making judgments and decisions.

STARTER: CAN A BUSINESS SURVIVE WITHOUT RESPONDING TO GLOBAL ISSUES?

What external factors are outside a businesses control?



Starter

What external factors are outside a business' control?

- 1
- 2
- 3
- 4
- 5
- 6

Debenhams bows out after 200 years leaving town centres counting the cost

Venerable department store chain closes its doors as other retailers struggle to survive on the high street

● **'It leaves a huge hole': shoppers react to store closures**



▲ Debenhams department store in Sheffield, which is closing down on Saturday along with 28 others across Britain
Photograph: Gary Calton/The Observer

There were queues of bargain hunters at the tills at **Debenhams** in Sheffield but it had the feel of a market hall rather than a department store chain that can trace its roots back more than 240 years.

...as were roped off with black and yellow tape, the beauty

M&S to close 30 more shops as Ocado deal pays off

🕒 1 day ago | 💬 Comments



Coronavirus pandemic



GETTY IMAGES

Marks & Spencer has said it plans to close another 30 shops over the next 10 years as part of its turnaround plan.

M&S has already closed or relocated 59 main stores, as well as **cutting 7,000 jobs** across stores and management

Ocado, Deliveroo and Just Eat crowned fastest-growing UK brands

By John Glenday - September 29, 2020



Pets at Home hits £1bn sales record as lockdowns spur 'pet baby boom'

Chain says home working has changed market and fuelled surge in sales of kitten and puppy products

- [Coronavirus - latest updates](#)
- [See all our coronavirus coverage](#)



Just Eat Takeaway sales soar 54% in 2020 as pandemic shifts eating habits

However, operating losses rose to €107m from €78m a year before



▲ Just Eat says it took 588m orders in 2020 - up 42%. Photograph: KeyWorded/Alamy Stock Photo

Food delivery group Just Eat Takeaway recorded ballooning sales - and losses - during the Covid pandemic as families shifted to dining at home.

The group, formed by [the £6bn merger](#) of London-listed Just Eat and Dutch group Takeaway.com last year, said sales soared 54% in 2020 but operating losses rose to €107m (€92m) from €78m a year before



...aged for ever, not just for lockdowns. Photograph: Getty

...he Covid pandemic has translated into

Disney Plus hits 94.9 million subscribers, beating its four-year goal in 14 months

And that's not even counting anyone who signed up for WandaVision

By [Chaim Gartenberg](#) | [@cgartenberg](#) | Feb 11, 2021, 5:06pm EST

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Amazon buys Hollywood studio MGM for \$8.45bn

1 day ago



GETTY IMAGES

MGM is home to the James Bond movie franchise and the Handmaid's Tale TV series

Amazon has agreed to buy the historic MGM studios for \$8.45bn (£5.97bn).

Consumer spending grew in April as high streets and hospitality reopened

Hannah Godfrey



Start of ban on plastic straws, stirrers and cotton buds

Ministers continue fight against plastic waste to protect natural environments and marine wildlife.

From: [Department for Environment, Food & Rural Affairs](#) and [The Rt Hon George Eustice MP](#)

Published 1 October 2020



Every year in England we use 4.7 billion plastic straws, 316 million plastic stirrers and 1.8 billion plastic-stemmed cotton buds. Credit: Marine Conservation Society.

PESTLE Analysis

- The PESTLE analysis is a **technique** used to understand the impact of outside factors on a business
- **It allows a business to understand the ‘big picture’ of the environment they are situated in**, allowing them to react to any changes that occur
- The most competitive businesses will anticipate change, rather than react to it.



PESTLE Analysis provides a useful way to analyse the external environment

P

POLITICAL

E

ECONOMIC

S

SOCIAL

T

TECHNOLOGICAL

L

LEGAL

E

ETHICAL /

ENVIRONMENTAL

Examples of PESTLE Factors: Political



Competition policy

Industry regulation

Govt. spending & tax policies

Business policy & incentives



Examples of PESTLE Factors: Economic



Interest rates

Consumer spending & income

Exchange rates

Economic growth (GDP)



Examples of PESTLE Factors: Social



Demographic change

Impact of pressure groups

Consumer tastes & fashions

Changing lifestyles



Examples of PESTLE Factors:

Technological



Disruptive technologies

Adoption of mobile tech

New production processes

Big data and dynamic pricing



Examples of PESTLE Factors: Legal



Employment Law

Minimum / Living Wage

Health & Safety Laws

Environmental legislation



Examples of PESTLE Factors: Ethical & Environmental



Sustainability

Tax practices

Ethical sourcing (supply chain)

Pollution & Carbon Emissions



Activity 1

Activity 1 – PESTLE

What does PESTLE stand for?

Why do businesses find it useful?

Use the support pack to help you during the lesson

PESTLE Analysis

Collecting information is a key part of the [problem solving](#) process. There are many techniques that can be used to help identify what information to collect. One of these techniques is called PESTLE analysis.

PESTLE is an acronym, and PESTLE analysis is a technique used to understand the impact of outside factors on a location, business or organisation.

It allows an individual or organisation to understand the 'big picture' of the environment they are situated in.

Political	<ul style="list-style-type: none">- Current taxation policy- Future taxation policy- The current and future political support- Grants, funding and initiatives- Trade bodies- Effect of wars or worsening relations with particular countries
Economic	<ul style="list-style-type: none">- Overall economic situation- Strength of consumer spending- Current and future levels of government spending- Ease of access to loans- Current and future level of interest rates, inflation and unemployment- Specific taxation policies and trends- Exchange rates
Sociological	<ul style="list-style-type: none">- Demographics- Lifestyle patterns and changes- Attitudes towards issues such as education, corporate responsibility and the environment- Social mobility- Media views and perceptions- Ethnic and religious differences

Activity 1 – PESTLE

1. What does it stand for?
2. Why do businesses find it useful?



Activity 1 - PESTLE

1. What does it stand for?

- Political
- Economical
- Social
- Technological
- Legal
- Environmental

2. Why do businesses find it useful?

- Identify key drivers of change in business strategy and decision making

Answers

Current News

Curtain up at Cineworld as lockdown ends, but threats remain

Cineworld's shares rose as people returned to cinemas in their droves. But streaming companies such as Netflix and Amazon aren't standing still. Matthew Partridge reports



by: [Dr Matthew Partridge](#) 28 MAY 2021



@ JUSTIN TALLIS/AFP via Getty Images

Advertisement



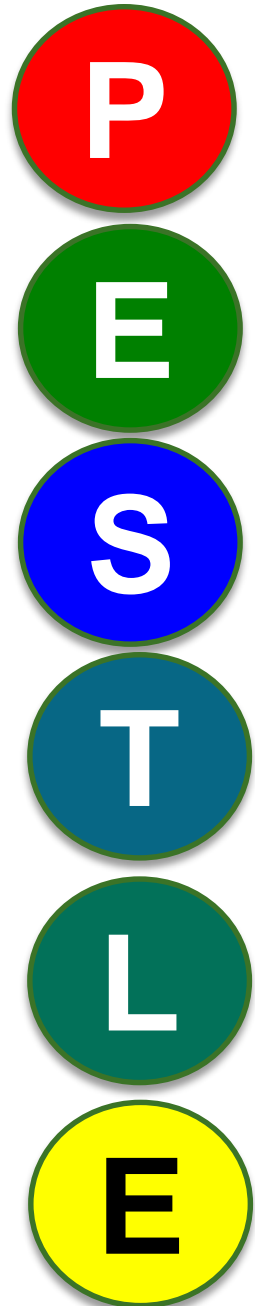
Have the best of both worlds with Global Growth & Income

Activity 2

- Research the **external factors** that have impacted Cineworld's decision making?
- Feedback your findings to the group – 30mins

Extension

- Which factor has had the biggest impact? explain why



External Factors that can impact decision making and strategic planning

P

- Government policy
- Political stability
- Corruption
- Tax policy
- Labor law
- Trade restrictions

E

- Economic growth
- Exchange rate
- Interest rate
- Inflation rates
- Disposable income
- Unemployment rate

S

- Population growth rate
- Age distribution
- Career attitudes
- Safety emphasis
- Health consciousness
- Lifestyle attitudes
- Cultural barriers

T

- Technology incentives
- Level of innovation
- Automation
- R&D activity
- Technological change
- Technological awareness

E

- Weather
- Climate
- Environmental policies
- Climate change
- Pressures from NGO's

L

- Discrimination laws
- Antitrust laws
- Employment laws
- Consumer protection laws
- Copyright and patent laws
- Health and safety laws

Examples of PESTLE Factors: Political



1. Massive impact of the Governments COVID-19 social distancing restrictions:
 - Cinemas operating at a maximum 30% capacity (actually operating at close to 5%)
2. Government support with Business rates helped Cineworld - 12 months business rates holiday for all businesses in the retail, hospitality and leisure sector.
3. Job retention scheme (Furlough) protected its workforce during lockdown

Examples of PESTLE Factors: Economic



1. Consumer spending in decline due to low confidence/ falling income/higher unemployment
2. Cinema seen as a 'luxury purchase' and will be hard hit by falling disposable incomes
3. The average price of a cinema ticket in the UK is estimated to be £7-£8, £15 in London
4. Increasing costs for Cineworld made it difficult to offer more competitive pricing:
 - Increases in the national living (minimum) wage - has bumped up staff costs
 - Energy and utility bills are on the rise.
 - Need to be equipped with state-of-the-art sound systems, seating, projectors and air-conditioning systems

Examples of PESTLE Factors: Social



1. Loss of confidence with consumers, particularly centred around the Hospitality/ Arts industry
2. Change of consumer buying habits, consumers preferring to stream movies at home
3. Busy lifestyles mean 'on demand' viewing is now an expectation
4. Factors, such as ad-free content, mobile viewing and high-quality streams, are also driving consumers towards streaming services
5. Consumers more price 'savvy' and are reluctant to overspend on other cinema revenue streams (food/drinks etc)

Examples of PESTLE Factors:

Technological



1. Video Streaming Market is predicted to be worth \$184.2 billion By 2027
2. Improvements in the UK's broadband and 4G/5G infrastructures means high quality streaming is possible, both at home and using mobile technology

Examples of PESTLE Factors: Legal



1. Changes in legislation have led to an increase in costs, including raises in employment cost
2. Bad press due to the use of 'unethical' employment practices have impacted the company's brand image
 - Use of zero hour contracts
3. Odeon's deal with Universal in June 2020 permitted new films to be released at home just 17 days (down from 60 days) after coming out in cinemas. This further strengthened the streaming market

Examples of PESTLE Factors: Ethical & Environmental



1. Problems with the supply chain

- 'We are like a grocery shop with no food' Mooky Greidinger, CEO, Cineworld
- Hollywood studios delaying major new film releases has resulted in the business not being able to provide a service to its customers



2. Continued pressure to provide a more 'affordable' service for families/ those on low incomes

Political factors

Environmental factors

Social factors

Technological factors

Economic factors

Ethical factors

Legal factors

Activity 3

Explain two external factors that may impact a business of your choice




Transition Tasks

- Bring your completed work to your first lesson in September

A Level
Business Studies

Transition Tasks



Name.....

1

A Level Business

Year 11 -----> A Level

‘A great accomplishment should not be the end of the road, just the starting point for the next leap forward’

Harvey Mackay, Businessman

The purpose of the booklet is to support your transition into Business A Level. Without doubt the more YOU take ownership and look beyond the text book, the more success you will find with the course and concepts.

Remember Year 12 requires adjustment of perspective, approach and sustained positive attitude. Success may not happen immediately but focus on the change and requirements asked of you. They are here to support and guide, you have to own it, you own your success.

You should bring your completed work to your first Business Studies lesson in September.

2

Task 1

The Basics: Business is all around you every day, it isn't hard to see how it has affected you and will affect your future. Take Brexit for example, do you view that as a positive or a negative?

There will be some key terms you should know from your GCSE course, however, if you are new to Business or have enjoyed a busy summer, these are the terms you should be familiar with. **Spend some time to find them out and create a document with them prepared.** Use: www.kuster2u.com to help.

Easy Key Term	Challenging Terms
Revenue (define, formula)	Inflation
Profit (define, formula)	Interest rates
Variable costs (define, formula)	Porters Five Forces
Contribution per unit (formula)	Boston Matrix
Break-even (define, formula)	Ansoff Matrix
LTD	Labour turnover (define, formula)
PLC	Capacity utilisation (define, formula)
Unlimited liability	ROCE (define, formula)
Limited liability	Current Ratio (define, formula)
Exchange rate	Trading Blue
Profit margin	

That should have given you plenty to think about. These terms will be integral in your understanding of business.

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