NATIONAL OCCUPATIONAL STANDARDS
UNDERSTANDING ENTERPRISE

INSTITUTE OF ENTERPRISE AND ENTREPRENEURS

POWERED BY SFEDI GROUP
## Contents

<table>
<thead>
<tr>
<th>No.</th>
<th>NOS Title</th>
<th>Page no.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFAUE1</td>
<td>Choosing your business enterprise</td>
<td>1</td>
</tr>
<tr>
<td>CFAUE2</td>
<td>Identifying and managing opportunities and risks</td>
<td>6</td>
</tr>
<tr>
<td>CFAUE3</td>
<td>Knowing the market and satisfying customers</td>
<td>11</td>
</tr>
<tr>
<td>CFAUE4</td>
<td>Making successful deals</td>
<td>16</td>
</tr>
<tr>
<td>CFAUE5</td>
<td>Winning help and support</td>
<td>21</td>
</tr>
<tr>
<td>CFAUE6</td>
<td>Planning for success</td>
<td>26</td>
</tr>
<tr>
<td>CFAUE7</td>
<td>Managing money matters</td>
<td>31</td>
</tr>
</tbody>
</table>

©2012 SFEDI
Choosing your business enterprise

Overview

When deciding what type of business to set up in the future it is important to consider what business will best suit you. This will depend on your own skills, talents and attributes, what you enjoy and what you would like to get out of a business in the long term. It is equally important to reflect and learn from other entrepreneurs' challenges and success and discover how they have achieved their goals.

You might do this if you want to:

1. develop the abilities that will help if you set up a business in the future
2. understand how businesses succeed

This standard is intended for use in schools and similar settings. It is anticipated that learning and development programmes that are consistent with the standard will have practical activities that mirror or practice aspects of business enterprise, use case studies and other examples of business enterprise and bring people into contact with successful entrepreneurs. To reflect the fact that we do not expect people working to these standards to be directly engaged in preparing, starting or running a real business we have placed the term *business* in italics at appropriate places to indicate that we have in mind a simulated or practice activity.

Choosing a business enterprise for you involves:

1. understanding you own motives for starting a business
2. being aware of your strengths and weaknesses
3. planning and monitoring your development
Choosing your business enterprise

Performance criteria

You must be able to:

P1 consider what you would and would not enjoy doing in a business and why
P2 assess your strengths and weaknesses in terms of the needs of a business
P3 decide what you want to get out of a business
P4 identify what skills, knowledge and behaviours you need to achieve your goals and how you will develop them
P5 identify how other people can help you so a business achieves its goals
P6 decide how you will measure progress and what will count as success
P7 record and reflect on what you have and have not managed to achieve and revise your personal development goals and plans accordingly
Choosing your business enterprise

Knowledge and understanding

You need to know and understand:

K1 the personal attributes and abilities that can help a small business to thrive

K2 how other people can help you achieve business goals (for example, giving people responsibilities that play to their strengths and offering incentives and motivations to help you meet targets)

K3 how successful entrepreneurs have developed their abilities before and whilst running a small business

K4 the value of being a reflective, experiential learner and how this can be achieved
Additional Information

Links to other NOS

These Business Enterprise units may be relevant when you are setting up or developing a business:

YS1 Explore your own business motives
YS2 Check your ability to run your business
YS3 Improve your business skills
EE3 Make deals to take your business forward
CFAUE2
Identifying and managing opportunities and risks

Overview

Being able to identify business opportunities and their potential for growth is one of the keys to business success. When considering a potential opportunity it is important to take the time to assess the strengths and weaknesses of the proposition and be aware of any risks that may be involved. Finding out how successful entrepreneurs have managed risks will help you make informed decisions and avoid common pitfalls.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. understand how businesses succeed

This standard is intended for use in schools and similar settings. It is anticipated that learning and development programmes that are consistent with the standard will have practical activities that mirror or practice aspects of business enterprise, use case studies and other examples of business enterprise and bring people into contact with successful entrepreneurs. To reflect the fact that we do not expect people working to these standards to be directly engaged in preparing, starting or running a real business we have placed the term *business* in italics at appropriate places to indicate that we have in mind a simulated or practice activity.

Identifying and managing opportunities and risks involves:
1. identifying and developing ideas for new products or services
2. being imaginative in the ways you can do business
3. assessing the risks involved in different opportunities
CFAUE2
Identifying and managing opportunities and risks

Performance criteria

You must be able to:

P1 create or identify an opportunity for a new product or service for a business
P2 develop an idea for a new product or service
P3 develop an idea for new and better ways of doing things in a business
P4 motivate other people to offer new ideas for a business
P5 assess the pros and cons of different ways of developing a business
P6 decide what a reasonable risk for a business is and whether it is worth taking
P7 learn from what works and what doesn't
P8 show the drive and enthusiasm to succeed
Identifying and managing opportunities and risks

Knowledge and understanding

You need to know and understand:

K1 the importance of identifying and creating business opportunities
K2 how successful entrepreneurs have identified and created business opportunities
K3 how innovation can deliver business benefits
K4 how successful entrepreneurs have encouraged and utilised new ideas and innovation
K5 how entrepreneurs judge their strengths and weaknesses and the opportunities and threats they face
K6 that starting and growing a business involves risk
K7 how successful entrepreneurs manage risk
CFAUE2
Identifying and managing opportunities and risks

Additional Information

Links to other NOS
These Business Enterprise units may be relevant when you are setting up or developing a business:
EE1 Achieve the goals for your business
EE4 Find innovative ways to improve your business
**CFAUE2**  
Identifying and managing opportunities and risks

<table>
<thead>
<tr>
<th><strong>Developed by</strong></th>
<th>SFEDI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Version number</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Date approved</strong></td>
<td>27 November 2007</td>
</tr>
<tr>
<td><strong>Indicative review date</strong></td>
<td>31 December 2014</td>
</tr>
<tr>
<td><strong>Validity</strong></td>
<td>Current</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td>Original</td>
</tr>
<tr>
<td><strong>Originating organisation</strong></td>
<td>SFEDI</td>
</tr>
<tr>
<td><strong>Original URN</strong></td>
<td>UE2</td>
</tr>
<tr>
<td><strong>Relevant occupations</strong></td>
<td>Founder; Managing director; Owner/Manager/Director; Director/Associate; Consultant; Manager; Business Development Manager/Consultant; Business Executive</td>
</tr>
<tr>
<td><strong>Suite</strong></td>
<td>Understanding Enterprise</td>
</tr>
<tr>
<td><strong>Key words</strong></td>
<td>opportunities, risks, pros, cons, identifying, creating, strengths, weaknesses, threats, entrepreneurs</td>
</tr>
</tbody>
</table>
Overview

When considering a future business it is important to know that there is a market for the product or service it offers. Having established what the market is you need to plan how to reach it. Once a customer base is secured you need to plan how you are going to look after them.

Understanding what has and hasn’t worked for others in business will help you to plan how you would be able to effectively market your product and manage your customers.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. understand how to win and keep customers

This standard is intended for use in schools and similar settings. It is anticipated that learning and development programmes that are consistent with the standard will have practical activities that mirror or practice aspects of business enterprise, use case studies and other examples of business enterprise and bring people into contact with successful entrepreneurs. To reflect the fact that we do not expect people working to these standards to be directly engaged in preparing, starting or running a real business we have placed the term business in italics at appropriate places to indicate that we have in mind a simulated or practice activity.

Knowing the market and satisfying customers involves:
1. understanding the market
2. promoting a business
3. effectively managing customer relationships
CFAUE3
Knowing the market and satisfying customers

Performance criteria

You must be able to:

P1  research and assess the market for a business
P2  identify what potential customers need
P3  plan and focus a business around meeting those needs
P4  present a business to potential customers, investors or stakeholders
P5  decide on the most effective way of promoting and marketing a business
P6  implement a budgeted marketing plan, with targets and success criteria for a business
P7  decide how you are going to check that customers are happy with products or services from a business
P8  decide how you are going to deal with customer problems
P9  decide how you are going to continuously improve what a business has to offer
Knowledge and understanding

You need to know and understand:

K1 how small businesses can understand their market and competition
K2 the importance for a business of focussing on customer needs
K3 how successful small businesses have achieved this
K4 examples of successful marketing campaigns and why they worked
K5 ways you can promote a small business without spending money
Additional Information

Links to other NOS

These Business Enterprise units may be relevant when you are setting up or developing a business:
EE2  Win and keep customers
WB1  Check what customers need from your business
WB2  Plan how to let your customers know about your products or services
WB5  Sell your products or services
### Developed by
- SFEDI

### Version number
- 1

### Date approved
- 27 November 2007

### Indicative review date
- 31 December 2014

### Validity
- Current

### Status
- Original

### Originating organisation
- SFEDI

### Original URN
- UE3

### Relevant occupations
- Founder; Managing director; Owner/Manager/Director; Director/Associate; Consultant; Manager; Business Development Manager/Consultant; Business Executive

### Suite
- Understanding Enterprise

### Key words
- ideas, innovation, entrepreneurs, product, service, motivate
Overview

Making successful deals in business is crucial in helping a business become competitive and achieve its goals. Businesses negotiate and make agreements with a variety of different parties including customers, suppliers, staff and financiers. Valuable lessons can be learnt from understanding how successful entrepreneurs have effectively negotiated deals.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. understand how to secure successful business deals

This standard is intended for use in schools and similar settings. It is anticipated that learning and development programmes that are consistent with the standard will have practical activities that mirror or practice aspects of business enterprise, use case studies and other examples of business enterprise and bring people into contact with successful entrepreneurs. To reflect the fact that we do not expect people working to these standards to be directly engaged in preparing, starting or running a real business we have placed the term business in italics at appropriate places to indicate that we have in mind a simulated or practice activity.

Making successful deals involves:
1. understanding the motives of those you want to deal with
2. enthusiastically promoting what a business can deliver
3. clearly understanding and recording what the deal entails
**Performance criteria**

*You must be able to:*  

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>listen to other people and appreciate their goals and perspectives</td>
</tr>
<tr>
<td>P2</td>
<td>set out what you want to achieve in a <em>business</em> and what you can offer others to help you achieve it</td>
</tr>
<tr>
<td>P3</td>
<td>be able to negotiate calmly and effectively</td>
</tr>
<tr>
<td>P4</td>
<td>find solutions to problems that arise</td>
</tr>
<tr>
<td>P5</td>
<td>show commitment and convince others that you can achieve your goals</td>
</tr>
<tr>
<td>P6</td>
<td>record and sign any agreements or deals made so everyone is clear what they have committed to</td>
</tr>
</tbody>
</table>
Knowledge and understanding

You need to know and understand:

K1  the importance of successful deals for a successful business
K2  how successful entrepreneurs have made successful deals
Additional Information

Links to other NOS

These Business Enterprise units may be relevant when you are setting up or developing a business:
EE3  Make deals to take your business forward
<table>
<thead>
<tr>
<th>Developed by</th>
<th>SFEDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version number</td>
<td>1</td>
</tr>
<tr>
<td>Date approved</td>
<td>27 November 2007</td>
</tr>
<tr>
<td>Indicative review</td>
<td>31 December 2014</td>
</tr>
<tr>
<td>date</td>
<td></td>
</tr>
<tr>
<td>Validity</td>
<td>Current</td>
</tr>
<tr>
<td>Status</td>
<td>Original</td>
</tr>
<tr>
<td>Originating</td>
<td>SFEDI</td>
</tr>
<tr>
<td>organisation</td>
<td></td>
</tr>
<tr>
<td>Original URN</td>
<td>UE4</td>
</tr>
<tr>
<td>Relevant occupations</td>
<td>Founder; Managing director; Owner/Manager/Director; Director/Associate; Consultant; Manager; Business Development Manager/Consultant; Business Executive</td>
</tr>
<tr>
<td>Suite</td>
<td>Understanding Enterprise</td>
</tr>
<tr>
<td>Key words</td>
<td>customer, satisfaction, needs, products, services, focussing, successful, improve</td>
</tr>
</tbody>
</table>
CFAUE5
Winning help and support

Overview

There is a lot of advice and support available for businesses, much of which is free, so it is important to take advantage of the resources available. Knowing what is available and where to find it can help you in planning, starting-up and growing a small business. Support can range from practical advice on how to manage business finances to finding more customers.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. understand how other people and organisations can help

This standard is intended for use in schools and similar settings. It is anticipated that learning and development programmes that are consistent with the standard will have practical activities that mirror or practice aspects of business enterprise, use case studies and other examples of business enterprise and bring people into contact with successful entrepreneurs. To reflect the fact that we do not expect people working to these standards to be directly engaged in preparing, starting or running a real business we have placed the term *business* in italics at appropriate places to indicate that we have in mind a simulated or practice activity.

Winning help and support involves:
1. finding out who can help a business
2. effectively using personal and business contacts to help a business achieve its goals
CFAUE5
Winning help and support

Performance criteria

You must be able to:

P1 identify and get help for a business from people who can:
   P1.1 suggest opportunities
   P1.2 provide the resources needed
   P1.3 offer advice and support
   P1.4 put you in touch with potential customers

P2 inspire people to help you make a business work

P3 build trust and confidence in colleagues and customers of a business
Knowledge and understanding

You need to know and understand:

K1 where to find sources of help and information (for example Internet resources, banks, other businesses, advice agencies)
K2 what networks exist that can help businesses (for example, Chamber of Commerce, local trade associations, professional bodies, and personal networks such as friends and family)
K3 how businesses can build and use their networks and contacts
CFAUE5
Winning help and support

Additional Information

Links to other NOS

These Business Enterprise units may be relevant when you are setting up or developing a business:
EE5 Build relationships to build your business
YS4 Seek advice and help for your business
<table>
<thead>
<tr>
<th><strong>Developed by</strong></th>
<th>SFEDI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Version number</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Date approved</strong></td>
<td>27 November 2007</td>
</tr>
<tr>
<td><strong>Indicative review date</strong></td>
<td>31 December 2014</td>
</tr>
<tr>
<td><strong>Validity</strong></td>
<td>Current</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td>Original</td>
</tr>
<tr>
<td><strong>Originating organisation</strong></td>
<td>SFEDI</td>
</tr>
<tr>
<td><strong>Original URN</strong></td>
<td>UE5</td>
</tr>
<tr>
<td><strong>Relevant occupations</strong></td>
<td>Founder; Managing director; Owner/Manager/Director; Director/Associate; Consultant; Manager; Business Development Manager/Consultant; Business Executive</td>
</tr>
<tr>
<td><strong>Suite</strong></td>
<td>Understanding Enterprise</td>
</tr>
<tr>
<td><strong>Key words</strong></td>
<td>successful, deals, goals, negotiate, commitment, convince, entrepreneurs</td>
</tr>
</tbody>
</table>
Overview

For a business to be successful it needs to have a plan of how it will get there. To achieve success a business needs resources including money, skills, and tools (for example, an effective IT system). Understanding the importance of planning how a business will get the resources it needs and how it will use them effectively is critical to achieving business goals.

You might do this if you want to:
1. develop the abilities that will help when setting up a business in the future
2. want to understand how planning can help businesses succeed

This standard is intended for use in schools and similar settings. It is anticipated that learning and development programmes that are consistent with the standard will have practical activities that mirror or practice aspects of business enterprise, use case studies and other examples of business enterprise and bring people into contact with successful entrepreneurs. To reflect the fact that we do not expect people working to these standards to be directly engaged in preparing, starting or running a real business we have placed the term *business* in italics at appropriate places to indicate that we have in mind a simulated or practice activity.

Planning for success involves:
1. deciding the goals of a business
2. effectively sourcing and utilising resources
Performance criteria

You must be able to:

P1  decide what a business should look to achieve and what would count as success
P2  decide what a business needs to do to reach its goals
P3  identify the resources needed for a business
P4  plan how to secure the resources needed
P5  make best use of your own time and all other resources
Knowledge and understanding

You need to know and understand:

K1 appreciate the different goals businesses can have and how this influences what they do
K2 the value of planning and the limitations of plans
K3 the nature of legal and regulatory requirements real businesses have to work within
K4 how IT and organised ways of working can aid the efficiency and effectiveness of a business
Planning for success

Additional Information

Links to other NOS

These Business Enterprise units may be relevant when you are setting up or developing a business:
- BD1 Check the likely success of a business idea
- BD3 Plan where your business is going
- LG1 Choose a legal format that suits your business
- LG2 Keep up to date with current legislation affecting your business
<table>
<thead>
<tr>
<th>Developed by</th>
<th>SFEDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version number</td>
<td>1</td>
</tr>
<tr>
<td>Date approved</td>
<td>27 November 2007</td>
</tr>
<tr>
<td>Indicative review date</td>
<td>31 December 2014</td>
</tr>
<tr>
<td>Validity</td>
<td>Current</td>
</tr>
<tr>
<td>Status</td>
<td>Original</td>
</tr>
<tr>
<td>Originating organisation</td>
<td>SFEDI</td>
</tr>
<tr>
<td>Original URN</td>
<td>UE6</td>
</tr>
<tr>
<td>Relevant occupations</td>
<td>Founder; Managing director; Owner/Manager/Director; Director/Associate; Consultant; Manager; Business Development Manager/Consultant; Business Executive</td>
</tr>
<tr>
<td>Suite</td>
<td>Understanding Enterprise</td>
</tr>
<tr>
<td>Key words</td>
<td>winning, help, support, resources, advice, potential, customers, colleagues, trust, confidence, inspire, networks, contacts</td>
</tr>
</tbody>
</table>
Overview

Money is the life blood of any business. Without it a business would be unable to pay its suppliers, staff or invest in the future and could quickly cause a business to fail. Understanding the principles of cash flow management will help you design and plan the financial processes a business needs.

You might do this if you want to:

1. develop the abilities that will help when setting up a business in the future
2. understand how businesses manage cash flow

This standard is intended for use in schools and similar settings. It is anticipated that learning and development programmes that are consistent with the standard will have practical activities that mirror or practice aspects of business enterprise, use case studies and other examples of business enterprise and bring people into contact with successful entrepreneurs. To reflect the fact that we do not expect people working to these standards to be directly engaged in preparing, starting or running a real business we have placed the term business in italics at appropriate places to indicate that we have in mind a simulated or practice activity.

Managing money matters involves:

1. effective financial planning; and
2. managing financial records
Managing money matters

Performance criteria

You must be able to:

- P1 decide on the financial needs of a *business*
- P2 decide how to get the money needed for a *business*
- P3 set financial targets for a *business*
- P4 keep financial records for a *business*
- P5 judge whether the financial records show a business is on target
- P6 decide what action to take if a *business* is not on target
Knowledge and understanding

You need to know and understand:

K1 the importance of cashflow in a small business
K2 how to judge the cashflow a business needs
K3 the concepts of profit, turnover and cashflow
K4 how to keep basic manual or computer-based financial records
Additional Information

Links to other NOS

These Business Enterprise units may be relevant when you are setting up or developing a business:
MN1 Decide on the financial needs of your business
MN2 Set and monitor financial targets for your business
MN3 Keep financial records for your business
MN4 Manage cash flow in your business
Developed by: SFEDI

Version number: 1

Date approved: 27 November 2007

Indicative review date: 31 December 2014

Validity: Current

Status: Original

Originating organisation: SFEDI

Original URN: UE7

Relevant occupations: Founder; Managing director; Owner/Manager/Director; Director/Associate; Consultant; Manager; Business Development Manager/Consultant; Business Executive

Suite: Understanding Enterprise

Key words: planning, success, market, resources, goals, competition, plans, market, competition, legal, regulatory, limitations