

# VTCT Level 3 Award in Features of Preparing to Set Up a New Business

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Operational start date: **1 October 2012**  
Credit value: **12**  
Total Qualification Time (TQT): **120**  
Guided learning hours (GLH): **96**  
Qualification number: **600/6742/1**

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## Statement of unit achievement

By signing this statement of unit achievement you are confirming that all learning outcomes, assessment criteria and range statements have been achieved under specified conditions and that the evidence gathered is authentic.

This statement of unit achievement table must be completed prior to claiming certification.

Unit code	Date achieved	Learner signature	Assessor initials	IQA signature (if sampled)
Mandatory unit				
UV31321				
Optional units				

# The qualification

## Introduction

The VTCT Level 3 Award in Features of Preparing to Set Up a New Business is a qualification that has been specifically designed for all vocational areas of study including; hairdressing and barbering, beauty therapy, complementary therapies, sport and active leisure and hospitality and catering.

Through this small but very flexibly qualification you will gain an understanding of the type of challenges and risks that you may face when starting a new business.

From the optional section of this qualification you have the opportunity to select an area of study which is most relevant to your business needs. This could be; personal qualities and abilities, planning, building relationships, marketing and selling, negotiating deals and the all important business finance.

## National Occupational Standards (NOS)

This qualification has been mapped to the relevant NOS, and is regulated on the Regulated Qualifications Framework (RQF).

This qualification is approved and supported by SFEDI, the standard setting body for business enterprise and business support.

## Prerequisites

There are no formal prerequisite qualifications that you must have prior to undertaking this qualification.

Your centre will have ensured that you have the required knowledge, understanding and skills to enrol and successfully achieve this qualification.



## Progression

On completion of this qualification you may choose to undertake further study; qualifications you could progress to include:

- VTCT Level 3 Certificate in Preparing to Set Up a New Business

Alternatively, you may wish to seek employment in your chosen career path.

# Qualification structure

## Total credits required - 12 (minimum)

The mandatory unit must be completed.

### Mandatory unit - 3 credits

VTCT unit code	Ofqual unit reference	Unit title	Credit value	GLH
UV31321	A/503/3436	Understanding the challenges and risks of running a new business	3	24

### Optional units - 9 (minimum) credits

VTCT unit code	Ofqual unit reference	Unit title	Credit value	GLH
UV31322	F/503/3437	Personal skills and abilities to run own business	3	24
UV31323	K/503/3433	Understand how to plan for a new business	3	24
UV31324	M/503/3434	Understanding business relationships in a new business	3	24
UV31325	H/503/3432	Principles of marketing and selling in a new business	3	24
UV31326	J/503/3438	Understanding finance in a business context	3	24
UV31327	T/503/3435	Understanding negotiation of deals in a new business	3	24

# Guidance on assessment

This book contains the mandatory units that make up this qualification. Optional units will be provided in additional booklets (if applicable). Where indicated, VTCT will provide assessment materials. Assessments may be internal or external. The method of assessment is indicated in each unit.

## Internal assessment

*(any requirements will be shown in the unit)*

Assessment is set, marked and internally quality assured by the centre to clearly demonstrate achievement of the learning outcomes. Assessment is sampled by VTCT external quality assurers.

## External assessment

*(any requirements will be shown in the unit)*

Externally assessed question papers completed electronically will be set and marked by VTCT.

Externally assessed hard-copy question papers will be set by VTCT, marked by centre staff and sampled by VTCT external quality assurers.

## Assessment explained

VTCT qualifications are assessed and verified by centre staff. Work will be set to improve your practical skills, knowledge and understanding. For practical elements, you will be observed by your assessor. All your work must be collected in a portfolio of evidence and cross-referenced to requirements listed in this record of assessment book.

Your centre will have an internal quality assurer whose role is to check that your assessment and evidence is valid and reliable and meets VTCT and regulatory requirements.

An external quality assurer, appointed by VTCT, will visit your centre to sample and quality-check assessments, the internal quality assurance process and the evidence gathered. You may be asked to attend on a different day from usual if requested by the external quality assurer.

This record of assessment book is your property and must be in your possession when you are being assessed or quality assured. It must be kept safe. In some cases your centre will be required to keep it in a secure place. You and your course assessor will together complete this book to show achievement of all learning outcomes, assessment criteria and ranges.



## Creating a portfolio of evidence

As part of this qualification you are required to produce a portfolio of evidence. A portfolio will confirm the knowledge, understanding and skills that you have learnt. It may be in electronic or paper format.

Your assessor will provide guidance on how to prepare the portfolio of evidence and how to show practical achievement, and understanding of the knowledge required to successfully complete this qualification. It is this booklet along with the portfolio of evidence that will serve as the prime source of evidence for this qualification.

Evidence in the portfolio may take the following forms:

- Observed work
- Witness statements
- Audio-visual media
- Evidence of prior learning or attainment
- Written questions
- Oral questions
- Assignments
- Case studies

All evidence should be documented in the portfolio and cross referenced to unit outcomes. Constructing the portfolio of evidence should not be left to the end of the course.

# Unit assessment methods

This section provides an overview of the assessment methods that make up each unit in this qualification. Detailed information on assessment is provided in each unit.

Mandatory unit				
		External	Internal	
VTCT unit code	Unit title	Question paper(s)	Observation(s)	Portfolio of evidence
UV31321	Understanding the challenges and risks of running a new business	0	✗	✓

Optional units				
		External	Internal	
VTCT unit code	Unit title	Question paper(s)	Observation(s)	Portfolio of evidence
UV31322	Personal skills and abilities to run own business	0	✗	✓
UV31323	Understand how to plan for a new business	0	✗	✓
UV31324	Understanding business relationships in a new business	0	✗	✓
UV31325	Principles of marketing and selling in a new business	0	✗	✓
UV31326	Understanding finance in a business context	0	✗	✓
UV31327	Understanding negotiation of deals in a new business	0	✗	✓

# Unit glossary

	Description
<b>VTCT product code</b>	All units are allocated a unique VTCT product code for identification purposes. This code should be quoted in all queries and correspondence to VTCT.
<b>Unit title</b>	The title clearly indicates the focus of the unit.
<b>National Occupational Standards (NOS)</b>	NOS describe the skills, knowledge and understanding needed to undertake a particular task or job to a nationally recognised level of competence.
<b>Level</b>	Level is an indication of the demand of the learning experience; the depth and/or complexity of achievement and independence in achieving the learning outcomes.
<b>Credit value</b>	This is the number of credits awarded upon successful achievement of all unit outcomes. Credit is a numerical value that represents a means of recognising, measuring, valuing and comparing achievement.
<b>Guided learning hours (GLH)</b>	The activity of a learner in being taught or instructed by - or otherwise participating in education or training under the immediate guidance or supervision of - a lecturer, supervisor, tutor or other appropriate provider of education or training.
<b>Total qualification time (TQT)</b>	The number of hours an awarding organisation has assigned to a qualification for Guided Learning and an estimate of the number of hours a learner will reasonably be likely to spend in preparation, study, or any other form of participation in education or training. This includes assessment, which takes place as directed - but, unlike Guided Learning, not under the immediate guidance or supervision of - a lecturer, supervisor, tutor or other appropriate provider of education or training.
<b>Observations</b>	This indicates the minimum number of competent observations, per outcome, required to achieve the unit.
<b>Learning outcomes</b>	The learning outcomes are the most important component of the unit; they set out what is expected in terms of knowing, understanding and practical ability as a result of the learning process. Learning outcomes are the results of learning.
<b>Evidence requirements</b>	This section provides guidelines on how evidence must be gathered.
<b>Observation outcome</b>	An observation outcome details the tasks that must be practically demonstrated to achieve the unit.
<b>Knowledge outcome</b>	A knowledge outcome details the theoretical requirements of a unit that must be evidenced through oral questioning, a mandatory written question paper, a portfolio of evidence or other forms of evidence.
<b>Assessment criteria</b>	Assessment criteria set out what is required, in terms of achievement, to meet a learning outcome. The assessment criteria and learning outcomes are the components that inform the learning and assessment that should take place. Assessment criteria define the standard expected to meet learning outcomes.
<b>Range</b>	The range indicates what must be covered. Ranges must be practically demonstrated in parallel with the unit's observation outcomes.



# UV31321

## Understanding the challenges and risks of running a new business

The aim of this unit is to develop your knowledge and understanding of the challenges and risks involved with running a business. You will learn the purpose of vision and values and review the opportunities and risks in a new business.

Level

**3**

Credit value

**3**

GLH

**24**

Observation(s)

**0**

External paper(s)

**0**



# Understanding the challenges and risks of running a new business

## Learning outcomes

On completion of this unit you will:

1. Understand the purpose of vision and values in a potential new business
2. Be able to review the opportunities and risks in a new business

## Evidence requirements

1. *Environment*  
Assessment must be based on naturally occurring evidence or carried out in a realistic work environment.
2. *Knowledge outcomes*  
There must be evidence that you possess all the knowledge and understanding listed in the Knowledge section of this unit. In most cases this can be done by professional discussion and/or oral questioning. Other methods, such as projects, assignments and/or reflective accounts may also be used.
3. *Tutor/Assessor guidance*  
You will be guided by your tutor/assessor on how to achieve learning outcomes in this unit. All outcomes must be achieved.
4. *External paper*  
There is no external paper requirement for this unit.

# Developing knowledge

## Achieving knowledge outcomes

You will be guided by your tutor and assessor on the evidence that needs to be produced. Your knowledge and understanding will be assessed using the assessment methods listed below\*:

- Projects
- Observed work
- Witness statements
- Audio-visual media
- Evidence of prior learning or attainment
- Written questions
- Oral questions
- Assignments
- Case studies
- Professional discussion

When a criterion has been orally questioned and achieved, your assessor will record this evidence in written form or by other appropriate means. There is no need for you to produce additional evidence as this criterion has already been achieved.

Some knowledge and understanding outcomes may require you to show that you know and understand how to do something. If you have practical evidence from your own work that meets knowledge criteria, then there is no requirement for you to be questioned again on the same topic.

*\*This is not an exhaustive list.*

# Knowledge



## Outcome 1

### Understand the purpose of vision and values in a potential new business

You can:	Portfolio reference
a. Describe what the values and vision might be for a potential new business	
b. Explain the relationship between the values and vision of a business	
c. Explain how the vision and values inform the development and planning of a new business	



## Outcome 2

### Be able to review the opportunities and risks in a new business

You can:	Portfolio reference
a. Assess the opportunities associated with a potential new business	
b. Assess the risks associated with a potential new business	
c. Identify what information is needed to make decisions about whether the risks are worth taking	
d. Explain the actions that may be taken to minimise the risks	
e. Assess whether or not a new business opportunity is worth pursuing	

# Unit content



This section provides guidance on the recommended knowledge and skills required to enable you to achieve each of the learning outcomes in this unit. Your tutor/assessor will ensure you have the opportunity to cover all of the unit content.

## Outcome 1: Understand the purpose of vision and values in a potential new business

**The values and vision for a potential new business:** Ever evolving, both grow as the business grows.

**Values** – company aspirations, core beliefs, identify/connect with customers, priorities/goals, accountability, communications, team work, co-ordination, discipline, freedom for initiative of employees, integration, standardisation, continuous improvement, creativity, customer delight, decisiveness, develop people, harmony, innovation, integrity, loyalty, resourcefulness, respect for the individual, service to society, succeed.

**Vision** – ideals/goals, provides future direction, expresses a consumer benefit, is realistic, is motivating, must be fully communicated, consistently followed and measured, motivate employees.

**The relationship between the values and vision of a business:** What you currently do vs. the future, management vs. leadership, strategy vs. goals, structure vs. roles, consistent improvement vs. future possibility.

**How the vision and values inform the development and planning of a new business:** Clarify focus of business, question/evaluating business targets, focus core strategies, consider business components, spotlight business culture, strong focus on growth/success, revise cultural strategy to improve performance.



## Outcome 2: Be able to review the opportunities and risks in a new business

**The opportunities associated with a potential new business:** Invitations, meeting people, building relationships, networking, spotting a need, means to fulfil need, a method to benefit.

**The risks associated with a potential new business:** Manufacturing insecurity, unplanned additional costs, poor cash flow, lack of access to credit, increased competition, risk of losing customers, fail to attract customers, economic instability, unreliable staff.

**The information that is needed to make decisions about whether the risks are worth taking:** Growth trends in business sector, size of target market, location of business, planned business vs. competition, influencing factors on buying decisions, degree of demand for product/service.

**The actions that may be taken to minimise the risks:** Risk management, SWOT analysis, develop survival strategy, access sources of business support, contingency fund, mentor.

**How to assess whether or not a new business opportunity is worth pursuing:** Feasibility analysis, five forces model (Michael Porter), guiding principles, determine attractiveness/profitability of market.

- 1 – rivalry between competing companies.
- 2 – bargaining power of suppliers to the industry.
- 3 – bargaining power of buyers.
- 4 – threat of new entrants to industry.
- 5 – threat of substitute products/services.