Sample portfolio: level 1 merit

NCFE Level 1/2 Technical Award in Business and Enterprise

QN: 603/2955/5

Contents

Introduction

The material within this portfolio relates to:

Unit 02 – Understanding Resources for Business and Enterprise Planning (K/616/8938)

This portfolio is designed to demonstrate an example of the evidence that could be produced for Unit 02 of the NCFE Level 1/2 Technical Award in Business and Enterprise. It's designed to provide guidance on how a portfolio could look, rather than being prescriptive.

In this example there are written accounts and visual evidence, but the evidence could also be presented in an audio/video format. Where the learner has provided visual evidence (for example screen grabs, copies of research), this has been clearly annotated to give context as to why it has been included. Each piece of evidence has been presented with the assessment criteria number shown at the top of the page.

This portfolio contains manufactured learner evidence and assessor feedback produced by NCFE. External Quality Assurer guidance has also been provided for each piece of evidence relating to an assessment criterion. The guidance comments on how the evidence meets the assessment criterion and what could be improved to obtain a higher grade.

Synoptic Project Tasks

Project Brief

A local entrepreneur has established a charity that supports growing local businesses and enterprise start-ups. This charity makes finance and support available to entrepreneurs with a new business idea or a desire to develop an existing business. Having been inspired by the success of this entrepreneur, you have decided to apply to the charity as your business is expanding to sell a new product.

Your expanding business

NCFE Toys Ltd are a manufacturing company making drones. They have been operating for three years, having brought a revolutionary product to the market, the 'D-Rone'. While initial sales had rapid growth, they have now started to decline.

A decision has been made to discontinue the 'D-Rone' and launch a new model the 'D-RoneX'. This new model has updated features including a high-definition camera. At the same time NCFE Toys Ltd are reviewing their business operations overall. They anticipate that sales revenue in year one will be £160,000 with cost of sales of £185,000. In year two sales revenue is anticipated to be £290,000 with cost of sales of £180,000. In year three sales revenue is anticipated to be £320,000 with cost of sales of £190,000. The financial information for the previous three years is also given on the next page.

As NCFE Toys Ltd anticipate high levels of demand for the new product they may require a larger factory for production to satisfy this demand. NCFE Toys Ltd have set aims and objectives for the launch, but need to consider their research methods, marketing mix, operations and resource planning.

Learner Log and project evaluation

As you work through the project you are **required** keep a learner log to record your approach to your work, including:

- how you prepared
- what resources you used
- how you managed your time.

You **must** use your completed learner log to carry out an evaluation of the project.

Evidence

You are required to submit the following for assessment:

A business plan to present to NCFE Toys Ltd charity committee.

The following sections should be included:

Section 1
Company description.

Section 2
Marketing analysis.

Section 3 Marketing.

Section 4
People and operations.

Section 5
Financial plan.

Section 6
Your learner log, including your evaluation.

Types of evidence

Below is a list of suggested types of evidence that you could include:

- written/word-processed documents
- presentations
- diagrams
- annotated evidence
- posters
- leaflets
- video/audio evidence
- spreadsheets.

Income Statement for NCFE Toys Ltd 2015–2017

	2015 (£)	2016 (£)	2017 (£)
Sales revenue	80,000	290,000	120,000
Cost of sales	15,000	35,000	60,000
Gross profit	65,000	255,000	60,000
Expenses			
Rent	8,000	8,000	8,000
Wages	55,000	60,000	30,000
Vehicles	6,000	7,000	5,000
Utilities	1,500	2,000	1,000
Advertising	500	1,000	200
Telephone	200	300	200
Total Expenses	71,200	78,300	44,400
Net Profit	(6,200)	176,700	15,600

Learner Evidence

Section 1: Company Description

The name of the business is NCFE Toys Ltd and we manufacture drones. We have been doing this for three years and we have sold lots of products called D-Rone which everyone loved. We have not been selling as many D-Rone products recently, so we have updated the product and made a new drone called D-RoneX. The aim of the business is to become the leading manufacturers of drones across the world. NCFE Toys Ltd is a private limited company. The business is a legal entity, and each shareholder has limited liability.

Section 2: Market Analysis[1]

My target market for the D-RoneX product is both men and women aged between 16 and 30 years old. The target market will enjoy the latest, up to date and state of the art technology. I will charge customers £299.99 for the D-RoneX.

A drone is an unmanned aerial vehicle controlled by remote control, by an individual on the ground. Lots of people are buying drones these days and so the price of drones is becoming cheaper as more companies produce them and as technology becomes more common.

There are many, many companies selling drones across the UK and so NCFE Toys Ltd have a lot of competition and so our drone should stand out from the crowd and be special.
The future market in selling drones looks strong as drones may get faster and lighter with more features.

Section 3: Marketing

Product
The D-RoneX is a drone which has been updated from our original D-Rone model. It features a high definition camera and the latest state of the art capabilities. It will be designed to meet the desires of the 16 - 30-year-old target market, featuring WiFi connectivity and being able to reach up to 5km in distance with 40-minute running time.

Place
Most specialist drone companies sell online and do not possess a store. This is so that no matter where a potential customer lives, they can access the products. As a result, the only premises we will need is a factory, and not a store as well. A large factory will enable us to manufacture the product and store the products in a distribution section of the factory.

---

[1] Note for Tutors: Please ensure that learners utilise independent research skills within their assignment, discovering real figures and references to support their findings.

Price
On average, a drone costs around £150 although for this price a customer will get a good drone but without any special features. As the price range of drones is so large, a price range of £250 - £350 for a new, high specification model is a reasonable range. We have settled on a price of £299.99.

Promotion
Our 16 - 30-year-old target market prefers drones to be advertised in a futuristic way, so they feel as though they are purchasing a piece of futuristic technology. They like shades of silver and black to be used in both the advertising and in the design of the product, appearing both futuristic and gender-neutral to appeal to both men and women.

Section 4: People and Operations

I will employ 4 employees to manufacture the products. We will work Monday to Friday, employing staff for 40 hours each per week once breaks are excluded. This will mean that our yearly wage cost is around £70,720.

The manufacturing staff will have to be able to read instructions so that they can use the machinery. They will have to be able to count so that they know how many drones they are making.

I have considered all the legal requirements for my business. The business is a private limited company with two shareholders and has to pay tax and VAT as well as following health and safety laws.

Section 5: Financial Plan

A factory will cost about £1,250 per month and I will hire equipment at £500 per month. Other costs to consider are wages; one month of wages costs £5,893. Advertising will cost £200 per month to advertise online. Utilities such as electricity and water will cost £1,250 per month whilst a telephone line and WiFi will cost £20 per month.

Setting-Up the Business

● Therefore, to set up the business, it will cost us £1,250 for a month factory rent.
● It will cost one-month equipment lease payment of £500.
● One-month of wages will cost around £5,893.
● The total cost to set-up the business is therefore £7,547.

Running The Business

Monthly costs will be as follows:

● £1,250 rent

- £500 equipment lease
- Wages around £5,893
- Utilities £1,250
- Telephone/WiFi £20
- Advertising £200.

Total monthly running costs are £9,113.

Gross Profit and Net Profit
Gross profit is the profit calculated after deducting the cost of sales from the sales revenue whilst net profit is the actual ending profit after all other expenses have been deducted from the gross profit.

Sales Revenue £160,000 - Cost of Sales £185,000 = Gross Profit -£25,000

Gross Profit -£25,000 - Expenses £115,356 = Net Loss -£140,356

This suggests a loss of £140,356 in the first year.

Sales Revenue £290,000 - Cost of Sales £180,000 = Gross Profit £110,000

Gross Profit £110,000 - Expenses £115,356 = Net Profit £5,356

Net Profit £5,356

Sales Revenue £320,000 - Cost of Sales £190,000 = Gross Profit £130,000

Gross Profit £130,000 - Expenses £115,356 = Net Profit £14,644

The company will make a profit from the second year and will do quite well.

Section 6: Evaluation and Learner Log

Drones are a popular product with strong future growth. However, as a product becomes more popular, competition becomes fiercer and perhaps there are too many drones on the market to make a large profit. Maybe the answer is to become a more specialist drone company and instead of just selling online, to open a large stand-alone store which sells a wide range of drone as well as additional parts and accessories. Maybe we could make our drones more unique and special to attract people? Also, we could try to lower the price or offer a special incentive for people.

When preparing for the project, I first examined the project brief, taking notes relevant to the context of the brief. I knew the time frame which I had available to me in which to complete the project, taking full use of the learning log to plan out my workload. I then researched the drone industry as admittedly I did not know much about drones before beginning this project. I spent time researching what a drone actually is, the price range and different types of drones on the market. The approaches utilised at the planning stage of the project were carried out well. To manage the project successfully, I took each section required separately. I completed the sections and found that I could easily create a business plan. The business was found to be a success.

Level 1/2 Technical Award in Business and Enterprise

Unit 02: Internal Synoptic Project- Learner Log

This learner log should be completed to record your approach to tasks 1–4 of the synoptic project.

It will be used as part of the overall evaluation in Task 5 of the full synoptic project.

All of the work you submit **must** be your own. Please complete the details below clearly and in BLOCK CAPITALS.

Learner name   *CANDIDATE A*

Centre name   *NCFE SCHOOL*

00001	*00001*

Centre number   Learner number

Learner signature   *Candidate A*

Learner Log

Hrs	How I prepared	What resources I used	How I managed my time	Section complete
1-3	I planned out what the Company Description required (name, business summary, A & O, legal structure).	Bus & Ent notes Online research Learner Log	I stuck to my plan and made sure that I covered each point.	**Section 1**
4-6	I planned out the aspects of Market Analysis to cover (target market, industry profile, competitive environment, potential suppliers)	Bus & Ent notes Online research Learner Log	I stuck to my plan and made sure that I covered each point.	**Section 2**
7-10	I planned out what was required for Marketing (product, place, price, promotion)	Bus & Ent notes Online research Learner Log	I stuck to my plan and made sure that I covered each point.	**Section 3**
11-13	I planned out what was required from people and operations	Bus & Ent notes Online research Learner Log	I stuck to my plan and made sure that I covered each point.	**Section 4**
14-17	I planned out what was required for the financial plan (how much money was required to set up the business and how much to run the business)	Bus & Ent notes Online research Learner Log	I stuck to my plan and made sure that I covered each point.	**Section 5**
18-20	I planned out what I would need to cover in an evaluation	Bus & Ent notes Learner Log Whole assignment to evaluate	I stuck to my plan and made sure that I covered each point.	**Section 6**

Assessor Feedback to Learner – AO1

Learner Name	Candidate A	**Qualification No & Name**	NCFE Level 1/2 Technical Award Business and Enterprise (603/2955/5)
Assessor Name	Assessor A		

Please list the tasks and assessment objectives which were achieved

You are required to submit the following for assessment:

- A business plan to present to NCFE Toys Ltd charity committee.

The following sections should be included:

Section 1
Company description.

Section 2
Marketing analysis.

Section 3
Marketing.

Section 4
People and operations.

Section 5
Financial plan.

Section 6
Your learner log, including your evaluation.

Feedback from Assessor to Learner

Well done Candidate A. You have recalled and communicated basic knowledge of aspects of business and enterprise, utilising some accuracy and basic subject specific terminology on occasions. Band 1.

Comments from Learner

I have really enjoyed creating a business plan and enjoyed adapting the plan throughout. I particularly enjoyed working out the profit margin calculations.

Has the learner achieved or not yet achieved?	**Achieved**

Any further actions? (Please initial and date once actions have been completed)				
Learner Signature	*Candidate A*	**Date**		February 2019
Assessor Signature	*Assessor A*	**Date**		February 2019

External Quality Assurer commentary

Band awarded for this assessment criterion – Band 1

Justification for the awarded grade:

AO1: The learner has recalled and communicated only basic knowledge and understanding from only a limited range of business and enterprise principles, showing limited accuracy and basic and inconsistent subject specific terminology, utilising the 4P's and target markets to an extent.

Explain what would be 'included' for this work to have been –

Band 2
The learner would have to recall and communicate appropriate knowledge and understanding from a range of business and enterprise principles with some accuracy and some subject specific terminology.

Explain what would be 'included' for this work to have been –

Band 3
The learner would have to recall and communicate accurate and comprehensive knowledge and understanding from a wide range of business and enterprise principles, using specific terminology accurately and consistently throughout the business plan.

Assessor Feedback to Learner – AO2

Learner Name	Candidate A	**Qualification No & Name**	NCFE Level 1/2 Technical Award in Business and Enterprise (603/2955/5)
Assessor Name	Assessor A		

Please list the tasks and assessment objectives which were achieved

You are required to submit the following for assessment:

- A business plan to present to NCFE Toys Ltd charity committee.

The following sections should be included:

Section 1
Company description.

Section 2
Marketing analysis.

Section 3
Marketing.

Section 4
People and operations.

Section 5
Financial plan.

Section 6
Your learner log, including your evaluation.

Feedback from Assessor to Learner

Well done Candidate A. You have used a limited accurate application of knowledge and understanding of business and enterprise principles, providing limited relevance to the context and situation, attempting to place yourself into the project brief. Band 1.

Comments from Learner

I have really enjoyed creating a business plan and enjoyed adapting the plan throughout. I particularly enjoyed the second section on market analysis where I researched the drone market and industry.

Has the learner achieved or not yet achieved?		**Achieved**		
Any further actions? (Please initial and date once actions have been completed)				
Learner Signature	*Candidate A*		**Date**	February 2019
Assessor Signature	*Assessor A*		**Date**	February 2019

External Quality Assurer commentary

Band awarded for this assessment criterion – Band 1

Justification for the awarded grade:

AO1: The learner has applied knowledge and understanding of business and enterprise principles with limited accuracy and relevance to the context or situation, not considering the need for materials to make the drone, packaging and distribution or office equipment.

Explain what would be 'included' for this work to have been –

Band 2
The learner would have to apply knowledge and understanding of business and enterprise principles in a mostly accurate manner with some relevance to the context and situation.

Explain what would be 'included' for this work to have been –

Band 3
The learner would have to apply knowledge and understanding of business and enterprise principles in an accurate manner which is relevant to the context and situation.

Assessor Feedback to Learner – AO3

Learner Name	Candidate A	Qualification No & Name	NCFE Level 1/2 Technical Award in Business and Enterprise (603/2955/5)
Assessor Name	Assessor A		

Please list the tasks and assessment objectives which were achieved

You are required to submit the following for assessment:

- A business plan to present to NCFE Toys Ltd charity committee.

The following sections should be included:

Section 1
Company description.

Section 2
Marketing analysis.

Section 3
Marketing.

Section 4
People and operations.

Section 5
Financial plan.

Section 6
Your learner log, including your evaluation.

Feedback from Assessor to Learner

Well done Candidate A. You have responded appropriately to data and information such as using the income statement information in the project brief, providing commentary. Band 1.

Comments from Learner

I have learnt a lot throughout the project and I have realised that you need more than just a product to make a successful business.

Has the learner achieved or not yet achieved?	**Achieved**

Any further actions? (Please initial and date once actions have been completed)				
Learner Signature	*Candidate A*	**Date**	February 2019	
Assessor Signature	*Assessor A*	**Date**	February 2019	

External Quality Assurer commentary

Band awarded for this assessment criterion – Band 1

Justification for the awarded grade:

AO1: The learner has responded simply to data and information, providing comments. Some calculation errors are shown which promote a misunderstanding. There is evidence that the learner understands what the calculation are supposed to mean, however.

Explain what would be 'included' for this work to have been –

Band 2
The learner would have to appropriately analyse and evaluate selected data and information, judging and reaching suitable conclusions.

Explain what would be 'included' for this work to have been –

Band 3
The learner would have to critically analyse and evaluate selected data and information, systematically judging and reaching reasoned and valid conclusions.

Assessor Feedback to Learner – AO4

Learner Name	Candidate A	Qualification No & Name	NCFE Level 1/2 Technical Award in Business and Enterprise (603/2955/5)
Assessor Name	Assessor A		

Please list the tasks and assessment objectives which were achieved

You are required to submit the following for assessment:

- A business plan to present to NCFE Toys Ltd charity committee.

The following sections should be included:

Section 1
Company description.

Section 2
Marketing analysis.

Section 3
Marketing.

Section 4
People and operations.

Section 5
Financial plan.

Section 6
Your learner log, including your evaluation.

Feedback from Assessor to Learner

Well done Candidate A. You have demonstrated and applied basic business and enterprise technical skills effectively, applying and using processes, tools and techniques in a limited way. You have used relevant calculations. Band 1.

Comments from Learner

I learnt a lot from calculating numbers in the project and feel as though my maths skills have improved. I am able to use maths skills in business and some business skills in maths.

Has the learner achieved or not yet achieved?	**Achieved**

Any further actions? (Please initial and date once actions have been completed)				
Learner Signature	*Candidate A*	**Date**		February 2019
Assessor Signature	*Assessor A*	**Date**		February 2019

External Quality Assurer commentary

Band awarded for this assessment criterion – Band 1

Justification for the awarded grade:

The learner has demonstrated and applied basic business and enterprise technical skills, using and applying processes, tools and techniques in a limited way, creating a partially complete outcome.

Explain what would be 'included' for this work to have been –

Band 2
The learner would have to demonstrate and apply mostly relevant business and enterprise skills, using mostly appropriate processes, tools and techniques, providing a mostly complete and working outcome.

Explain what would be 'included' for this work to have been –

Band 3
The learner would have to demonstrate and apply relevant business and enterprise skills effectively, applying and using appropriate processes, tools and techniques, developing a complete and effective outcome.

Assessor Feedback to Learner – AO5

Learner Name	Candidate A	Qualification No & Name	NCFE Level 1/2 Technical Award in Business and Enterprise (603/2955/5)
Assessor Name	Assessor A		

Please list the tasks and assessment objectives which were achieved

You are required to submit the following for assessment:

- A business plan to present to NCFE Toys Ltd charity committee.

The following sections should be included:

Section 1
Company description.

Section 2
Marketing analysis.

Section 3
Marketing.

Section 4
People and operations.

Section 5
Financial plan.

Section 6
Your learner log, including your evaluation.

Feedback from Assessor to Learner

Well done Candidate A. You have managed the project well, preparing and planning a limited range of project stages in addition to timeframes and resources. You have used your learner log and you have commented on some of your approaches, skills and accomplishments. Band 1.

Comments from Learner

I found the learner log really useful to help me to manage the project and my time well.

Has the learner achieved or not yet achieved?	**Achieved**

Any further actions? (Please initial and date once actions have been completed)			
To develop in the future, you could maintain a record of all references, resources and websites you have used, preparing a bibliography. This will help you to prepare for Level 3.			
Learner Signature	*Candidate A*	**Date**	February 2019
Assessor Signature	*Assessor A*	**Date**	February 2019

External Quality Assurer commentary

Band awarded for this assessment criterion – Band 1

Justification for the awarded grade:
The learner has prepared and planned a limited range of project stages, time frames and resources, commenting on some of their approaches, skills and accomplishments within section six.

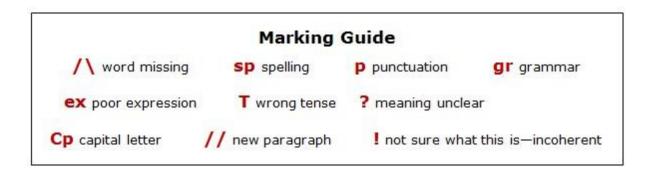**Explain what would be 'included' for this work to have been –**

Band 2

The learner would have to manage the project, preparing and planning a range of project stages, time frames and resources, evaluating some of their approaches, skills and accomplishments. The learner would provide a mostly relevant evaluation of the project.

Explain what would be 'included' for this work to have been –

Band 3

The learner would have to prepare and plan a wider range of project stages, time frames and resources, evaluating a deeper range of approaches, skills and accomplishments.

Marking Guide

/\ word missing   **sp** spelling   **p** punctuation   **gr** grammar

ex poor expression   **T** wrong tense   **?** meaning unclear

Cp capital letter   **//** new paragraph   **!** not sure what this is—incoherent

Overall Grade

Using the grading calculator on NCFE's website and the grades allocated the overall grade is below:

AO1 – Band 1
AO2 – Band 1
AO3 – Band 1
AO4 – Band 1
AO5 – Band 1

Overall grade = Level 1 Merit