

Unit 28: Launching a New Venture

Unit code	A/618/5114
Unit level	5
Credit value	15

Introduction

How do you get from idea to launching a new business venture? Many entrepreneurs take risks on the way, which can have expensive consequences if mistakes are made. This unit will prepare students to launch a business with less risk and pitfalls.

The unit gives students a practical understanding of what is required to successfully launch a new venture. It gives students an opportunity to plan the launch of a specific new venture idea. They will learn about and work through the stages of planning to launch the venture. This will include an explanation of the idea and how it will attract customers and have competitive advantage. Students will also learn about the need for resourcefulness when starting a new venture, and about identifying and using personal networks, which can offer a valuable source of knowledge, resources, advice and opportunities.

Students will develop a promotional plan to launch a new venture and prepare a budget and a cash flow forecast for the launch and the first 12–18 months of operation for the chosen venture.

Learning Outcomes

By the end of this unit a student will be able to:

- LO1 Investigate the resources required to launch a new venture
- LO2 Explore the skills and capabilities required to support the launch of a new venture
- LO3 Develop promotional activities to support the launch of a new venture
- LO4 Produce a budget for launching a new venture for a small business or social enterprise.

Essential Content

LO1 Investigate the resources required to launch a new venture

Defining the idea and the target customer:

Business or social enterprise opportunity.

Small business environment to support the venture idea.

Target customers and market segmentation, using characteristics, geographic, demographic and behavioural segmentation.

Competitor and industry analysis for achieving competitive advantage.

Tangible and intangible features and benefits of the new venture idea.

Legal forms for a small venture idea:

Legal forms for a business, e.g. sole trader, limited company, partnership.

Legal forms for a social enterprise, both incorporated, unincorporated, Community Interest Companies (CICs), industrial provident societies, limited liability partnerships.

Franchising as a start-up opportunity.

Understanding and planning resources:

Categories and types of resources that are tangible, intangible, financial, and human.

Resource planning for tangible (premises, equipment, IT facilities) and intangible (skills and capabilities), financial resources (start-up capital, loans, grants, business angels, crowd funding).

LO2 **Explore the skills and capabilities required to support the launch of a new venture**

Understanding and acquiring skills and capabilities:

Identifying the necessary skills and capabilities required.

Importance of building credibility in a start-up venture, addressing risk factors and responding to change.

'Bootstrapping': making use of free or low-cost sources of resources and skills, leasing and renting.

Low-cost and free business ideas for marketing and promotion.

The principles of the 'Lean Start-up' method.

Trademarks: advantages, disadvantages of trademark registration.

The importance of networks:

The benefits of networking e.g. social capital access to knowledge, resources, advice and opportunities.

Formal and informal networks.

Assessing and developing personal networks

LO3 **Develop promotional activities to support the launch of a new venture**

Planning promotional activities:

The marketing mix in the context of a new venture.

Pricing strategy.

Business identity and promotion:

Identify key promotional messages and personalised branding.

Name of the venture and registering a domain.

Visual identity and website creation with e-commerce capabilities, e.g. virtual shopping cart, secure online payments, chatbots.

Social media and digital promotion techniques, e.g. blogs, Instagram, Twitter, podcasts, video clips, virtual tours.

Leveraging mobile marketing for specific target markets.

Detailed promotional activities:

Different promotional activities to address the marketing mix and pricing strategy, and the response of competitors.

Wide range of cost-effective promotional techniques, e.g. social media advertising, cross-collaboration promotion, email marketing.

Evaluate and review promotional activities:

Use of website for capturing, tracking and monitoring purposes.

Monitoring sources of traffic to the website.

Measuring against metrics of cost, availability, Return on Investment (ROI).

Appropriateness for supporting a new venture.

LO4 Produce a budget for launching a new venture for a small business or social enterprise.

Budget for venture launch:

Pre-launch costs.

Forecasting income and costs over the first 12–18 months of trading.

Detailed budget:

Budget to include one-off costs, ongoing costs and anticipated income post- and pre-launch.

Calculation of break-even point.

Comprehensive budget:

Available financial resources.

'What-if' scenarios and contingency measures.

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
LO1 Investigate the resources required to launch a new venture		LO1 and LO2 D1 Critically evaluate the availability and appropriateness of resources, skills and capabilities to support the successful launch of a new venture.
P1 Examine the tangible and intangible resources required for the launch of a new venture.	M1 Evaluate the availability and appropriateness of the tangible and intangible resources required to launch a new venture.	
LO2 Explore the skills and capabilities required to support the launch of a new venture		
P2 Discuss the different skills and capabilities required to launch a new venture.	M2 Evaluate a range of skills and capabilities required for launching a new venture.	
LO3 Develop promotional activities to support the launch of a new venture		D2 Create a promotional activities plan that includes a set of metrics to evaluate success.
P3 Devise a promotional activities plan for the launch of a new venture.	M3 Develop a wide range of promotional activities that address the marketing mix to support the launch of a new venture.	
LO4 Produce a budget for launching a new venture for a small business or social enterprise.		D3 Produce a comprehensive pre- and post-launch monthly itemised cash budget, based on financial resources and contingency measures for anticipated outcomes.
P4 Produce an itemised monthly cash budget for both the pre-launch phase and the first 12–18 months following launch.	M4 Produce a detailed monthly cash budget, showing one off costs, ongoing costs and anticipated income post- and pre-launch.	

Recommended Resources

Textbooks

BURNS, P. (2016). *Entrepreneurship and Small Business: Start-up, Growth and Maturity*. 4th Ed. Basingstoke: Palgrave Macmillan.

BURNS, P. (2018) *New Venture Creation: A Framework for Entrepreneurial Start-ups*. 2nd Ed. Basingstoke: Palgrave Macmillan.

RIDLEY-DUFF, R. and BULL, M. (2019) *Understanding Social Enterprise: Theory and Practice*. Sage Publications Ltd.

WILLIAMS, S. (2015) *Financial Times Guides: Business Start-up 2015*. Harlow: Pearson.

Websites

www.entrepreneur.com	Entrepreneur (General reference)
www.entrepreneurhandbook.co.uk	Entrepreneur Handbook (General reference)
www.isbe.org.uk	The Institute for Small Business and Entrepreneurship (General reference)
www.forbes.com	Forbes Small Business Entrepreneurs (Articles)

Links

This unit links to the following related units:

Unit 2: Marketing Processes and Planning

Unit 9: Entrepreneurial Ventures

Unit 27: Identifying Entrepreneurial Opportunities

Unit 29: Managing and Running a Small Business