

Start

Why do businesses want to grow?
 To please shareholders
 To attract more shareholders to invest
 To prevent you getting left behind by your competitors
 To improve the business & behave dynamically, adapt with changing technology

Difference between organic growth & inorganic growth
 Organic growth—growing using the business' own internal resources, using natural methods
 Inorganic growth—growing using artificial methods, using external resources

Define 3 methods of organic growth
 1. Entering new markets (e.g. M&S selling in China)
 2. Adapting your product (e.g. Apple iWatch)
 3. Using technology (E.g. Amazon Echo)

Define 3 methods of inorganic growth
 1. Merger—two businesses of similar size joining together to form a new entity
 2. Takeover—one business (more successful) buying out another (less successful) business, jobs may be lost

Considerations when growing into a Multinational Corporation (MNC)
 Do you use e-commerce?
 The legislation in other countries e.g. the wage
 The language & culture
 The transport—methods, routes?

Unethical business operations
 The environment (pollution, use of palm oil), testing on animals, tax avoidance, child labour, poor working conditions, discrimination, false advertising, fast fashion

For behaving Ethically	Against behaving ethically
<ul style="list-style-type: none"> Prevents pressure groups damaging the brand. Allows business to attract ethically motivated consumers. Will enhance the brand. Will enable it to steal customers from rival businesses Could reduce the likelihood of any costly regulation USP Marketing advantage Motivate workers 	<ul style="list-style-type: none"> Budget consumers may not care about ethics. At times of low consumer confidence, ethics are perhaps less important. Increases business costs and less profit. Other factors that cause profits to rise may be much more important. Increase in business admin Might become harder to produce

Finish



For Globalisation
 Reduced costs due to increased choice of suppliers, low wages elsewhere etc
 Greater choice of goods, better quality goods straight from original source
 Increased trade means more exports sales meaning larger potential market

Define what 'Globalisation' is
 Globalisation means the world is becoming more inter-connected meaning we are able to buy and sell products/ services with countries all over the world.

3 Protectionist Policies (restricting imports)
 1. Tariffs (a tax of imports, making them more expensive)
 2. Quotas (a limit of the number of goods that can be imported)
 3. Health & Safety Legislation (putting more restrictions in place that make it harder to produce goods that meet these new laws)

6 reasons for changing Aims & Objectives
 Changing legislation E.g. Healthy Eating laws
 Changing consumer tastes E.g. Consumers preferring British-grown goods
 Changing market conditions E.g. Increase in competitors
 Changing costs E.g. Increase in price of steel, increase in Minimum Wage
 Change in management E.g. Pepsi getting a new CEO, might have different ideas
 Changing technology E.g. Increase in E-Commerce

3 Features of a Public Limited Company
 1. Can sell its shares to the public via the London Stock Exchange
 2. Shareholders invest their own money in exchange for a share of the profits (a dividend)
 3. Shareholders get to attend business meetings and vote on important decisions

3 reasons for raising finance by floatation
 1. Use the money to expand e.g. invest in new stores, new products
 2. Use the money to pay off debts to reduce interest payments
 3. Use the money to buy out (takeover) another business, perhaps a competitor

3 drawbacks to floatation
 1. Have to share your profit with shareholders
 2. Lots of pressure to make a profit
 3. Loss of ownership, can't make all the decisions, loss of business identity

Against Globalisation
 Increased competition for British businesses, lower sales, job losses
 Lower quality goods, don't meet legislation, lower safety standards
 Increased transportation costs, pollution?
 Is it ethical? Lower wages, working conditions in developing countries

Key word	Definition
Research and development	Research into new products or processes and developing ideas that are generated from research
Innovation	The act of creating new products or processes
E-commerce	Using the internet to carry out business transactions
Merger	When two or more businesses join together to operate as one business
Takeover	When one business buys another business and incorporates it into their own business
Public Limited Company	An incorporated business that can sell shares to the public (also known as a PLC)
Multinational	A business with operations in more than one country (also known as multinational corporation or MNC)
Assets	Items owned by a business, such as premises, equipment or stock
Interest	The cost of borrowing, or a percentage of the amount of money borrowed that must be repaid in addition to the original amount borrowed
Secured	Guaranteed, because if the business fails to pay back the money the bank can take the asset and sell it
Dividends	A percentage of a business's profits that is paid to shareholders as a reward for their investment in the business
Stock Market Flotation	The process of changing a business to a public limited company (PLC) by issuing shares for sale on a stock exchange
Stock Exchange	A place where shares in PLCs can be bought and sold
Degree of Competition	The number and size of businesses competing in a particular market
Market share	The proportion of sales in a market that taken by one business
Culture	The general attitudes, behaviour and beliefs of a business and its workforce
Retrenchment	When a business downsizes the scale of operations by reducing the number of employees or closing less profitable branches
Organisational structure	The way in which the workforce is organised, usually a hierarchy with people reporting to managers all the way up to the chief executive officer (CEO)
Floatation	The process of offering a company's shares for sale on the stock market for the first time
Lobbying	Trying to influence the government or other organisations

Key word	Definition
Product Portfolio	The range of goods and services offered by any one business
Globalisation	When businesses operate on an international scale and gain international influence or power
Imports	The flow of goods and services into a country from another country
Exports	The flow of goods and services out of a country to another country
Domestically	At home or within a business's home country
Tariff	A tax imposed on imports and exports
Protectionist measure	An action taken by government to reduce the flow of imports into the country
Trading bloc	A group of countries that agree to act together to promote trade between themselves
Localise	Adapt to suit the local area and its needs, particularly in terms of culture, language or geographical location
Ethics	Moral principles or standards that guide the behaviour of a person or business
Stakeholder	Anyone who has an interest in the activities of a business, such as its workers, its suppliers, its directors, the local community and the government
Trade-off	A balance between two differing or opposing objectives, such as making a profit and spending money on ethical activities that will enhance the business's reputation
Profit margin	The proportion of revenue left over after costs have been deducted
Green audit	Detailed review of a business's impact on the environment, either conducted by the business itself or by an independent organisation
Sustainability	Acting to ensure that natural resources are use responsibly, to protect the environment for future generations
Finite resource (also known as a non-renewable resource)	A resource that does not renew itself quickly enough to meet society's consumption of that resource, such as oil and natural gas
Pressure group	A group of people who join together to try to influence government policy or business policy for a particular cause
Boycott	Refusing to buy from or interact with a particular business or organisation
Viral marketing	Using online channels, such as video-sharing or social media sites, to spread a campaign message by encouraging people to share with their friends
Primary Sector	Consists in exploiting natural resources: agriculture, fishing, forestry, mining,
Secondary Sector	covers all those activities consisting in varying degrees of processing of raw materials (manufacturing, construction industries).
Tertiary Sector	a wide range of activities from commerce to administration, transport, financial and real estate activities, business and personal services, education, health and social work

Lesson Sequence
Business Growth
PLC's
Changing Aims and Objectives
Globalisation
Ethics