

Unit 28: Launching a New Venture

Unit code	F/508/0564
Unit level	5
Credit value	15

Introduction

This unit provides students with a practical understanding of what is required to successfully launch a new venture. It gives students an opportunity to work within a small team to fully plan the launch of a specific new venture idea. They will learn about and work through the stages of planning to launch the venture culminating in a group presentation of a launch plan. This will include an explanation of the idea, how it will attract customers and have competitive advantage. Students will develop a promotional plan to get it started, preparing a budget for launch and a cash flow forecast for the first 12–18 months of operation for the chosen venture. Students will learn about the need for resourcefulness when starting a new venture, and will be able to identify and tap into personal networks which can offer a valuable source of knowledge, resources, advice and opportunities.

Learning Outcomes

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

- 1 Investigate the range of resources required to launch a new venture.
- 2 Assess the skills and capabilities required and how these might be acquired or developed.
- 3 Explain and justify appropriate promotional activities to support the launch.
- 4 Suggest an appropriate legal form and compile a budget for launch.

Essential Content

LO1 **Investigate the range of resources that will be required to launch a new venture**

Defining the idea and the target customer:

The venture idea and how it represents a business/social enterprise opportunity.

Analysis of the small business environment to support the venture idea.

The characteristics of the target or 'typical' customer applying geographic, demographic and behavioural segmentation.

Use of competitor and industry analysis techniques such as Porter's Five Forces analysis.

Identification of tangible and intangible features and benefits.

Achieving competitive advantage.

Understanding and planning resources:

The different types of resources that are needed to start a new venture: tangible, intangible and human.

The three categories of 'capital': human, social and financial.

Identifying and planning resources for a new venture, including tangible (premises, equipment, IT facilities) and intangible (skills and capabilities).

LO2 **Assess the skills and capabilities required and how these might be acquired or developed**

Understanding and acquiring skills and capabilities:

Identifying the necessary skills and capabilities required

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

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

Low cost/free marketing and promotion.

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

The importance of networks:

The importance of networks to new ventures as a source of 'social capital' that can bring access to knowledge, resources, advice and opportunities.

Consideration of both formal and informal networks.

Assessing and developing personal networks and 'the strength of weak ties'.

L03 Explain and justify appropriate promotional activities to support the launch

The marketing mix:

The marketing mix in the context of a new venture/small business.

The importance of pricing strategy for a new venture and the likely response of competitors.

Business identity and promotion:

Developing an identity and the key promotional messages for the business.

Choosing a name and registering a domain.

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

Cost-effective promotional techniques, including use of social media and online promotion: blogs, Twitter, podcasts, video clips, virtual tours and image captions.

The pros and cons of trademark registration.

L04 Suggest an appropriate legal form and compile a budget for launch

Budgeting:

Compilation of an initial budget for venture launch, including identification of pre-launch costs and then a forecast of income and costs over the first 12–18 months of trading.

'What-if'/scenario analysis on the budget'

Calculation of break-even point.

Legal forms of business:

The different legal forms for a business, including sole-trader, limited company and partnership.

Legal form options for a social enterprise, including Community Interest Companies (CiC).

Franchising as a start-up opportunity.

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
LO1 Investigate the range of resources required to launch a new venture		D1 Develop a detailed proposal that demonstrates critical analysis and reflection of the competitive environment with supporting contingency planning to minimise risk.
P1 Investigate and explain a new venture identifying specific target markets and undertaking competitive analysis.	M1 Apply a range of methods and techniques for competitive analysis to justify how to achieve competitive advantage.	
P2 Determine specific tangible and intangible resources that would be required for the launch of a new venture.	M2 Discuss the strengths and weaknesses of the new venture and determine areas of risk.	
P3 Produce a credible proposal to launch a new venture.		
LO2 Assess the skills and capabilities required and how these might be acquired or developed		D2 Critically discuss supporting costs and timescales required for acquiring and/or developing the skills and capabilities of a launch team.
P4 Assess the skills and capabilities required to launch a new venture and how they are acquired or developed.	M3 Explore the range of skills and capabilities required for the launch and critically assess how they might be acquired or developed applying appropriate methods.	
LO3 Explain and justify appropriate promotional activities to support the launch		D3 Critically evaluate the different promotional activities to support justifications.
P5 Explain different promotional activities and channels that will support the launch and justify their choice.	M4 Evaluate an appropriate promotional activities plan for both launch and pre-launch.	
P6 Develop an appropriate promotional activities plan for both launch and pre-launch.		

Pass	Merit	Distinction
<p>LO4 Suggest an appropriate legal form and compile a budget for launch</p>		<p>D4 Create a pre- and post-launch monthly itemised cash budget based on financial resources, including key budget categories and sub-categories, with contingency measures for anticipated outcomes.</p>
<p>P7 Produce an itemised monthly cash budget for the pre-launch phase of the venture and the first 12–18 months preceding launch.</p> <p>P8 Suggest an appropriate legal form for the venture stating why it has been chosen.</p>	<p>M5 Justify an itemised monthly cash budget showing one off costs, ongoing costs and anticipated income post- and pre-launch.</p>	

Recommended Resources

BURNS, P. (2011) *Entrepreneurship and Small Business*. 3rd Edition. Basingstoke: Palgrave MacMillan.

BURNS, P. (2014) *New Venture Creation: A Framework for Entrepreneurial Start-ups*. Basingstoke: Palgrave MacMillan.

RIES, E. (2011) *The Lean Start-up*. London: Penguin Books.

WALL, S., CODAY, C. and MITCHELL, C. (2014) *Quantitative Methods for Business and Management: An Entrepreneurial Perspective*. Harlow: Pearson.

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

Journals

Journal of Small Business Management. Oxford: Wiley-Blackwell
[http://onlinelibrary.wiley.com/journal/10.1111/\(ISSN\)1540-627X](http://onlinelibrary.wiley.com/journal/10.1111/(ISSN)1540-627X)

The Institute for Small Business and Entrepreneurship (ISBE) website:
www.isbe.org.uk

Links

This unit links to the following related units:

Unit 2: Marketing Essentials Unit

5: Management Accounting Unit

7: Business Law

Unit 8: Innovation and Commercialisation

Unit 9: Entrepreneurship and Small Business Management Unit

23: Integrated Marketing Communications

Unit 27: Identifying Entrepreneurial Opportunities