

### 1.1.1 The dynamic nature of business

1	What do we know?	1. Business need to keep evolving
2	Why do new Business ideas come about?	- Changes in technology. - Changes in what consumers want. - Products and services becoming obsolete.
3	How do new ideas come about?	1. Innovation 2. Original new ideas

### 1.1.2 Risk and reward

1	What do we know?	1. The higher the risk the higher the reward 2. Business must take a risk if they want to be rewarded
2	Examples of Risk	1. business failure 2. financial loss 3. lack of security
3	Examples of Rewards	1. business success 2. Profit 3. independence
4	How to minimise risk	1. carrying out market research to find out what customers want 2. writing a <b>business plan</b> to identify potential problems 3. ensuring that there is sufficient money available
5	What does Business success look like	1. a growing business 2. a positive reputation 3. winning business awards 4. becoming a well-known business person

### 1.1.3 The role of business enterprise

1	What is the role of an Entrepreneur	1. organises resources 2. makes business decisions 3. takes risks.
2	What is the purpose of Business activity?	1. To produce goods 2. To produce services 3. To meet customer needs and wants 4. To add value
3	What does an Entrepreneur need to be able to make goods or services	1. Capital (money) 2. Enterprise (take risks) 3. Land (a physical area) 4. Labour (staff)
5	Methods to add value	1. convenience, 2. branding, 3. quality, 4. design, 5. unique selling points.

Key Word	Definitions
<b>Entrepreneur</b>	a person who sets up a business or businesses, taking on financial risks in the hope of profit
<b>Dynamic</b>	Ever changing – Businesses need to be Dynamic and keep innovating their products/services
<b>Invention</b>	Coming up with a completely new idea
<b>Goods</b>	A product that you can physically touch
<b>Services</b>	a system supplying a need such as transport
<b>USP</b>	Unique selling point is what makes one Business different from another
<b>Profit</b>	Total Revenue – Total Costs

Key Word	Definitions
<b>Risk</b>	a situation involving exposure to loss
<b>Reward</b>	A fair return on a risk taken
<b>Independence</b>	Free from control of others
<b>Needs</b>	Something that is a basic human essential
<b>Wants</b>	Things that make us happy
<b>Innovate</b>	Turning a new idea into a product or service
<b>Obsolete</b>	No longer exists or is needed

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