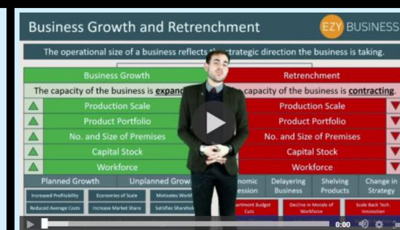
A-LEVEL BUSINESS SNAPSHOTS

This is a recovery PDF file that will link you to each of the recap videos that cover each of the pages in the A-Level Business Snapshots Booklet. Click on the video thumbnail to access the corresponding recap videos.

BUSINESS BASICS – 5 RECAP VIDEOS		
BB.1.	**Business Objectives** A good way to kick things off is to look at some of the more conventional corporate objectives which businesses set themselves. The value of setting objectives in a business landscape is crucial if a company is to function as an entire organisation rather than separate departments. Objectives provide a business with a target that can be used as a barometer to assess and evaluate business performance over time.	
BB.2.	**Types of Growth** A business can internally generate growth via their own expansion plans. Organic growth can come from increased production scale, increased store numbers or increased business capacity. All these factors are within the company's control and therefore the direction of growth is influenced by the strategic direction of the company. However, often internal growth can involve significant time lags and therefore sometimes businesses will decide to externally grow. This form of growth involves merging with another company or integrating with another business in the wider supply chain. Different businesses within different industries will have their own perception of what is the optimal growth strategy and you need to be able to assess the consequences of each type of growth on a business.	
BB.3.	**Shareholders vs. Stakeholders** Stakeholders of a business represent the individuals who have a vested interest in the business because they are influenced by the decisions that a business makes. Whereas, shareholders and managers are those individuals who set the strategy for a business and, in most cases, are best placed to receive the largest share of the benefits when the business succeeds. Often a business will put its shareholders ahead of its wider stakeholders for monetary purposes. However, if a business wishes to develop a good reputation in the market it needs to undertake actions and behave in a way that does not disadvantage of any of its vested stakeholders.	
BB.4.	**Growth and Retrenchment** All businesses have a core mission objective that they wish to achieve in the market, but how they go about achieving this objective is not always as straightforward as first imagined. This means during different periods, businesses will have to make crucial decisions about the scale, size and capacity of the business to determine whether the current capacity is sufficient and sustainable to execute their existing strategy. A business can either decide to expand to take on a more prominent in the market or retrench and scale back the capacity of the business to cope with changing market conditions.	

BB.5.

Corporate Cultures

The organisational culture of a business shapes the ethos and vision of the company because it reflects not only the organisational hierarchy of the business, but also the behaviours, attitudes and spirit that circulates within the stakeholders of the company.

The organisational culture of a company is often set by the managers and directors to fit how they would like the company to be run. However, a successful culture only prevails if all the stakeholders in a business buy into what the business is trying to achieve.

MARKETING – 8 RECAP VIDEOS

M.1.

Marketing Objectives

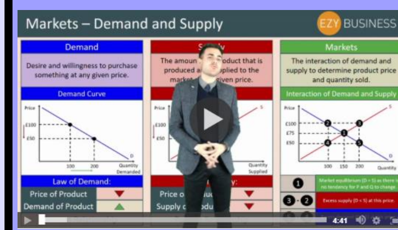
Marketing relates to how a business can connect the target market with the business's goods and services. For a business to devise an effective marketing campaign it must be able to identify, anticipate and satisfy the target market's product requirements and expectations. To help achieve this a business will set a range of different marketing objectives to provide clarity of thought and focus to the overall strategy and help increase the probability of commercial success.

M.2.

Understanding the Market

Markets operate as the place where buyers of a good or service can meet the sellers of those goods and services. The amount that is purchased at every given price level represents the demand in the market. The amount that businesses wish to produce and supply at every given price level represents the supply at every given price level. The forces of demand and supply interact to determine the prevailing equilibrium price level and quantity sold.

It is important to be comfortable with how markets work to ensure that you can discuss the factors which can affect the performance of a business in an essay.



M.3.

Market Research

If a business is to launch a successful product or service to the market it needs to be well-received by its target customers. The only way a business can achieve this is if the company can adapt the product offering for the individual demands, needs and expectations of the consumer, but how can a business fill this information gap? Well this is where market research becomes important – collecting, analysing and scrutinising feedback from the market to increase the commercial success of this product range. It is important to be comfortable talking about the different forms of market research and then also being able to critically evaluate the findings from this research.

M.4.

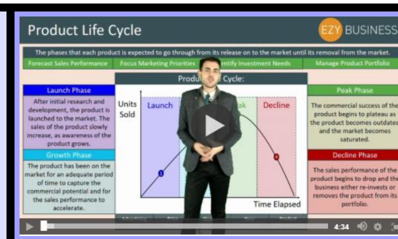
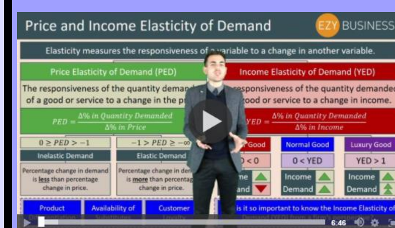
Niche and Mass Marketing

When a business launches a new product, it must decide what type of market the business wishes to target. This is vitally important because the size and composition of the market will shape the marketing and promotional stance decided upon by the business. A product catered for the mass market will result in a general and perhaps apitalize d product which is designed to sell in large quantities to the market. However, if the business wishes to capture some untapped potential in the market then the business can target a separate sub-section in the main market – this is defined as a niche market.

M.5.

Marketing Mix (7Ps)

In the modern business environment, a firm must consider many different individual components when devising a successful and effective marketing campaign. These components are referenced as the "7Ps" in marketing because they represent the important strands that a business must consider and decide upon to target the market effectively.

M.6.	**<u>Product Life Cycles</u>** The product life cycle is a neat way of representing the generic commercial phases that any product launched by a business is expected to experience. When a business initially launches a new product, the firm must respect the fact that it needs to allow time for the awareness of the brand and product to grow. If the business can support natural product growth with their own interventions, a product is expected to rapidly grow, and this is where the business can apitalize on the potential of their product. However, as much as businesses need to be aware of the growth trajectory of their product, it must realise that "every product has its day" and without innovation, a product is expected to suffer a drop-in popularity.	
M.7.	**<u>Pricing Strategies</u>** If firms are to maximise the commercial success of a product, the right price for the product needs to be charged. However, this can often be more difficult for a firm than you might expect. The right price to set is not a static decision which can be taken – it depends on the competitive environment, the business's current strategy and the external environment the business operates in. Therefore, firms have many different pricing strategies available to them that they can adopt.	
M.8.	**<u>PED and YED</u>** Elasticity measures the responsiveness of a change in one variable to a change in another variable. The business application of elasticity is that a firm can use the price elasticity of demand (PED) and income elasticity of demand (YED) to their advantage when deciding upon their own strategy. If a firm knows the PED value of their product, they have an insight behind the expected net impact on business revenue from a change in price. This forms the basis for a firm's pricing strategy. The YED value helps a firm establish the expected change in demand from a change in household disposable income. This elasticity measure is important for a firm to be able to recognise how well placed it is in operating in different economic scenarios and events.	

HUMAN RESOURCES – 7 RECAP VIDEOS

HR.1.

HR Objectives

For most businesses, it is crucial to have some element of human input into the production process to combine with the level of sophistication that technology brings the company. However, unlike technology and machines, humans cannot be calibrated to a specific setting and left unmonitored. The management team of a business needs to organise, motivate and develop their staff to maximise performance and ensure the company can achieve its corporate objectives. This can be a challenging aspect of running a business; as every worker reacts to workplace policies in a different way.

HR.2.

Management and Leadership

It is often said that success breeds success. Strong and dynamic leadership and management qualities are important for a business to motivate, galvanise and incentivise workers towards helping the business achieve its strategic objectives. However, despite these terms being interchangeably used, there is a clear distinction that must be made between the two concepts. Leaders within a business outline the strategy and the direction they wish the business to take and managers implement that strategy by organising the company's resources in the most efficient way. If a business can adapt their management and leadership qualities to suit their individual business needs – it can be a powerful and successful combination for the business.

HR.3.

Managing Staff

A business needs to weigh up two factors when managing the workforce - how to maximise productivity and how to keep the workers happy. These two factors are difficult for the management team of a business to balance and is significantly determined by the HRM approach taken by the business. Each business will require a different HRM approach to meet the tailored needs of the business.

HR.4.

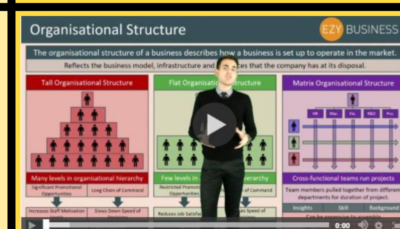
HR Data

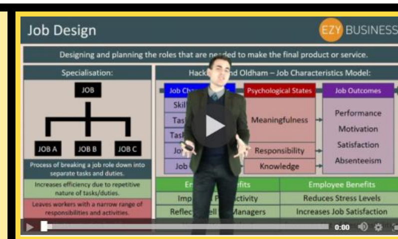
Businesses collect and analyse data relating to the performance of the human resources element of the business to try and assess the productivity, motivation and commitment levels of workers to the business. The labour turnover rate shows the natural churn rate of labour over the course of the trading year. Labour productivity shows the output that is produced per employee per period. The absenteeism rate attempts to measure the proportion of days lost across the trading year due to unauthorised absences. Each of these measures attempts to measure a different aspect of HR performance.

HR.5.

Organisational Structure

The organisational structure of a business shapes almost every operational aspect of a business. This is because it determines how decisions are made, the strategy the business implements and the scale of the responsibilities which workers must manage. It is generally accepted that a business can have three different types of structure.



HR.6.	**<u>Job Design</u>** To help a business design the specifications of a job that meets the criterion of their staff, the business needs to understand the factors which influence and motivate workers in a business. A model which is used to help firms design the aspects of their job correctly is Hackman and Oldham's Job Characteristics Model. This outlines the general job characteristics that individuals are looking for in a job and why they are important, but most importantly from the business's perspective, this outlines the positive outcomes that effective job design provides a business with.	
HR.7.	**<u>Motivational Theories</u>** These motivational theories attempt to outline to a business the factors which are most likely to influence the motivation and performance levels of workers in a business. These factors can range from pure financial motives towards factors which reflect the achievement, responsibility and pride felt by workers from the output of their own work.	

FINANCE – 14 RECAP VIDEOS

F.1.

Financial Objectives

It is important that any business sets itself appropriate financial objectives to ensure a business model is sustainable, whilst also financially pleasing the different stakeholders of the business.

F.2.

Business Liability

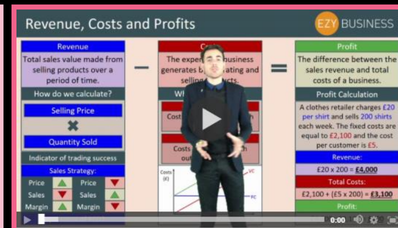
It is essential that you are confident surrounding the basic foundations of any business and understand the nature and purpose of businesses and their activities. This slide can help you weave in this content into your longer responses as an analytical or evaluative tool.

Businesses come in many different forms. The legal structure of a business goes a long way in determining the objectives, strategic direction and ownership structure of the firm. To understand the consequences that are unleashed if the business makes a profit or a loss, you need to be comfortable with discussing the different legal structures that a business is formed from.

F.3.

Revenue, Costs and Profits

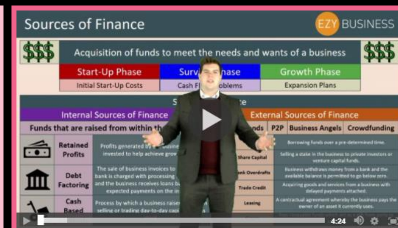
Private sector organisations operate to generate a profit for their shareholders. The profit margins of a business describe the accumulated difference between the sales revenue and the cost per unit. The profit performance of a business is important because it provides the organic funds for businesses to invest and expand in the future. By being comfortable with these terms it allows you to evaluate the impact of different pricing strategies on business's profitability.



F.4.

Sources of Finance

A business can acquire the funds it requires from both internal and external channels. Internal sources of finance refer to funds that are raised due to the business developing their own procedures to raise the cash needed to invest and expand. However, for some businesses, raising funds via internal channels is not a viable and sustainable option. Therefore, funds need to be raised through external channels. Sources of external finance can be raised in many ways including borrowing from banks and issuing new share equity.

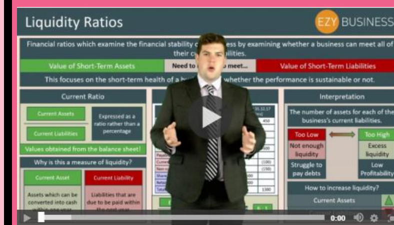
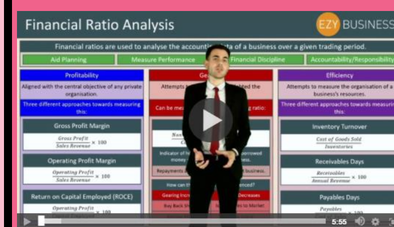
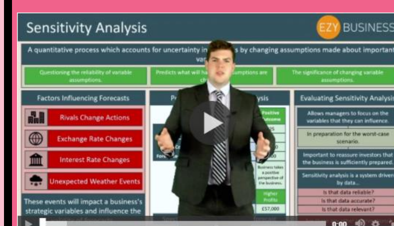


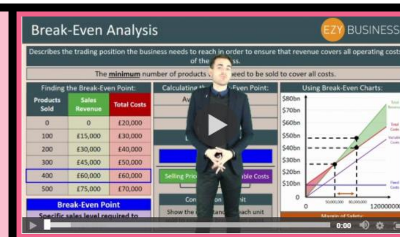
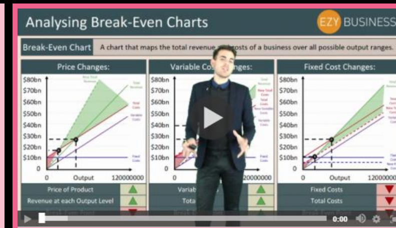
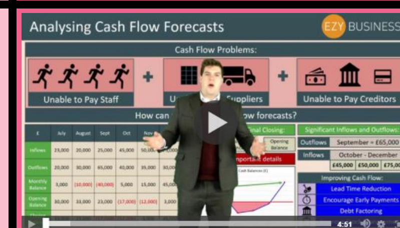
F.5.

Statement of Financial Position

For businesses, the statement of financial position is one of the most important accounts produced over the course of the trading year. This is because it represents a financial snapshot of the wealth position of that business over the year and importantly focuses on three important elements – assets, liabilities, and capital.

This statement crucially informs interested stakeholders about the solvency and liquidity position of the business.

F.6.	**Statement of Comprehensive Income** The statement of comprehensive income is a financial document that summarises the ins and the outs in relation to a business's cash flow over the course of the trading year. By summarising the revenue and expenses a business has run up in the last year, important financial metrics such as the gross profit margin, operating profit and profit for the year can be calculated. These year-on-year figures can be compared over time to assess how the business is performing in the marketplace.	
F.7.	**Liquidity Ratios** The statement of financial position for a business summarises what the business owns (assets) and what the business owes (liabilities). The short-term health of a business is determined by how effectively the business can meet its liabilities which are due to be paid over the current trading year. The ability for a firm to meet these impending liabilities is all determined by the structure of the assets that the business owns. The greater the proportion of current assets (assets that generate a return in the trading year) relative to current liabilities, but like all accounting practices it is key to hold a balanced portfolio of assets and to not hold too much liquidity, otherwise the basic profitability objective will be put in jeopardy.	
F.8.	**Financial Ratio Analysis** Financial ratios are commonly used as a summative checkpoint of how a business is progressing in relation to its own corporate objectives. Financial ratios are wide-ranging and can cover all sorts of ground. As profit is the central objective for many businesses it is important, particularly for investors, that financial ratios are aligned towards measuring the profitability of the business's core proposition. It is also important for a business to assess the reliance on financial channels and whether the business relies too much on borrowed cash to fuel their progression. Finally, a business needs to understand just how efficient it's entire business model is and how effectively resources are being used within the business.	
F.9.	**Sensitivity Analysis** When a business makes forecasts about their expected performance in the marketplace, they need to make key assumptions regarding the key market variables such as the expected quantity sold, the expected costs of production and other factors relating to market dynamics. However, these assumptions will not always hold in the real world due to factors outside of the business's control. This means when making forecasts it is sensible to predict a range of outcomes rather than simply applying static assumptions to one forecast. By questioning the reliability of variable assumptions, the business can be more confident they are prepared for the outcome that prevails in the market.	
F.10.	**Budgeting** Budgeting is the process of setting financial targets to ensure that the business has the best chance to convert its corporate strategy into reality. However, for many businesses budgeting is a complicated process which involves a specific and complex methodology to assign budgets for individual departments and across the entire business.	

F.11.	**<u>Break-Even Analysis</u>** For any private sector organisation, the core objective is to turn over a profit. However, a business can only reach that destination once they have reached the point where a business sells enough products to generate the revenue needed to cover its expenses. Once this point has been reached the business has a sound economic base that it can build upon to start earning a profit. Therefore, the break-even point is often seen as an important milestone of any business's journey.	
F.12.	**<u>Analysing Break-Even Charts</u>** A business can use a break-even chart to identify the point at which the business is expected to generate enough sales revenue to cover the expenses that the business is likely to accrue. The advantage of using these charts is that it visually represents the expected course of direction for the business and can be used to highlight how the break-even point changes as the dynamics of the business itself and the market in general changes.	
F.13.	**<u>Cash Flow Forecasts</u>** "Cash is king" is a well-known phrase used within business to emphasise the importance of ensuring that the cash flow of any business is managed effectively. The cash flow of a business underpins the entire corporate strategy of the firm. If a business fails to manage its cash flow properly it can run into significant problems with its suppliers, staff, creditors and customers.	
F.14.	**<u>Analysing Cash Flow Forecasts</u>** The interpretation of a cash flow forecast is just as important as designing and calculating them. This is because businesses can identify significant structural cash flow problems in advance of those problems materialising within the business. This enhances the business's ability to intervene and change the strategic direction of the business over time to improve the cash flow position.	

PRODUCTION – 6 RECAP VIDEOS

P.1.

Operational Objectives

The operational side of the business is related to how efficiently a business allocates resources to different stages of the supply chain to ensure that a product is delivered at the right price, pitched at the right quality and delivered on-time to the market. However, as business grows, the supply chain becomes elongated and more complex, and the art of managing the operational division of the business becomes more challenging. Therefore, it is important for a company to hold a series of core operational objectives to ensure the business remains focused and disciplined in this area.

P.2.

Operational Data

Operational data describes the data that be collected, analysed and interpreted to help a firm manage and boost its own productivity and efficiency. At a-level business you need to be comfortable with dealing with different operational aspects of the business and how a firm can pinpoint operational weaknesses in its own business model.

P.3.

Inventory/Stock Control Charts

The inventories of a business describe the basic stockpiles of intermediary goods, raw materials and reserves that a business may hold back from selling to the wider market. When a business stores inventories it needs a physical location to place these stockpiles in and this can often be a costly process. Therefore, to minimise these storage costs, businesses are encouraged to manage and control their inventories to ensure that they hold only the necessary amount of stock to meet the business's needs. The amount that needs to be held will depend on the strategy of the business and the dynamics of the industry that it operates in.

P.4.

Quality Initiatives

If a business is to achieve its own corporate objectives it needs to have a good quality product which meets the needs of the market that they are targeting. Setting quality standards within a business and enforcing those standards, is important to ensure that the reputation of the brand continues to grow. However, basic quality control checks can often result in products being scrapped and there is no guarantee that all bad products will be stopped from being sold to the market. Therefore, firms need to ensure that they have a complete and full proof quality control system across all departments of the business.

P.5.

Innovation

Innovation drives improvements in product standards and helps a business source a selection of different cost efficiencies, through improvements in the production process.

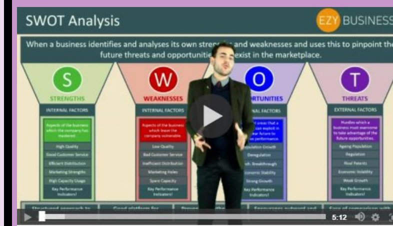
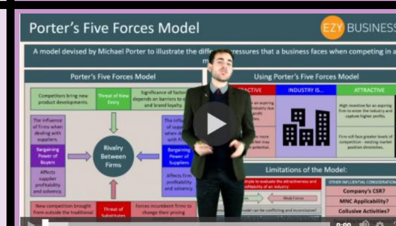
Businesses are under significant pressure to invest to keep up with their rivals and make continuous improvements. This can be encouraged from a variety of different sources and what works for one business, may no necessarily work for another business.

P.6.

Digital Technology

Digital technology might sound like a rather abstract term, but it essentially refers to any piece of equipment that a business uses which contains a computer chip.

The value of using digital technology within a business is that in-house systems can be developed to organise the business's resources more effectively and this helps a business to manage the wider supply chain more efficiently over time.

COMPETITIVE ENVIRONMENT – 4 RECAP VIDEOS		
CE.1.	**SWOT Analysis** If a business is to deliver a balanced performance across different aspects and departments of the company then it needs to identify what the business does well and what the business can improve on. This is crucial because a business is only as productive as its least productive division. Identifying areas of improvement can ensure the business becomes more competitive in the market and has a better chance of achieving its own mission objective. However, SWOT analysis is as much about looking ahead rather than focusing on the present. This is because markets are dynamic and evolve over time and change brings disruption to a business. A business needs to be in a position to minimise the threats to future opportunities.	
CE.2.	**PESTLE Analysis 1** PESTLE is an acronym that businesses use to analyse the possible threats to future opportunities. This means that businesses take a wide and expansive perspective of some of the changes in the external environment which can impact their own performance. Political threats reflect the changing circumstances surrounding the political environment and the policies that come with it. Economic threats relate to destabilising changes in the performance of the domestic and global economy that can hamper a business. Social threats relate to changes in consumer behaviour, expectations and buying habits and what that means for the commercial success of the business going forward. Being able to relate some of these factors to a real-life business can set the foundations for discussing strategic change and decision making within a business.	
CE.3.	**PESTLE Analysis 2** Businesses must cope with quite dramatic and dynamic changes within the market. One area in which change is a prominent factor is the quality and uptake in technology within firms. Technology affects the supply chain, production process and the final product. However, technology does involve a fixed commitment by businesses to invest. Businesses also need to consider legal changes which can restrict business activities and force a firm to adapt their own strategy. One issue that many businesses are having to manage right now are new environmental laws passed to slow the rate of environmental degradation.	
CE.4.	**Porter's Five Forces Model** This model was devised to illustrate the range of competitive pressures that a business can expect to face when entering an industry. These competitive pressures are all interrelated and affect the overall rivalry between firms in any given market. The model shows how industries with insignificant bargaining power and contestable conditions are attractive for new firms to enter. However, you do need to be able to evaluate this model and state why the results of this model only act as guidance for a firm and does not determine a strategy for a firm.	

BUSINESS STRATEGY – 11 RECAP VIDEOS

BS.1.

Business Decision Making

Decisions involve a business weighing up a series of different influential factors and arriving at an outcome which is expected to yield the best result from the perspective of the company. When analysing in an exam the impact of a strategic change of direction or a change in the external environment you need to be comfortable with discussing the decision-making process and the types of decisions that are made.

As businesses become more reliant on technology and data-driven systems, the art behind making decisions is also evolving. Businesses can now rely on statistical data to provide insight over the optimal decision to take. This is important because it provides more oxygen in the business to be diverted towards more important and challenging areas. However, there are still decisions that need to be taken that rely upon hunch and experience more than anything else. Understanding what approach to take for a business is a challenge.

BS.2.

Corporate Social Responsibility

All private sector organisations are in this game for one reason and that is to make a profit. However, businesses also need to respect the fact that they have several different social responsibilities.

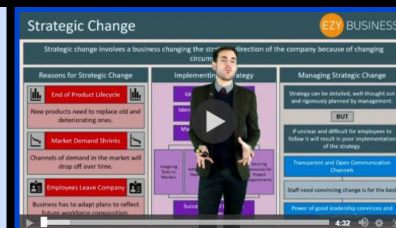
These responsibilities often relate to the wider stakeholders of a business such as the treatment of customers, environment and legal responsibilities and overall business conduct. You can use Carroll's CSR pyramid to identify, analyse and evaluate the responsibilities that a business has.

BS.3.

Strategic Change

The environment in which businesses operate, both internally and externally, is constantly changing and evolving. This means that a business cannot maintain a static strategy, it must be prepared to make changes to its existing strategy to react to the changing market conditions.

However, even if a business does identify the right amendments to its strategy, it needs to find a way of implementing this change by causing only minimal disruption to the business's operations and staff that work within it.

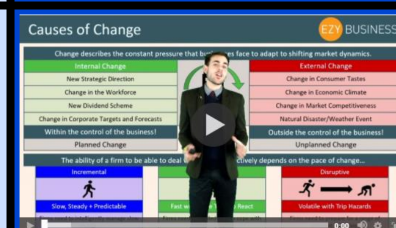


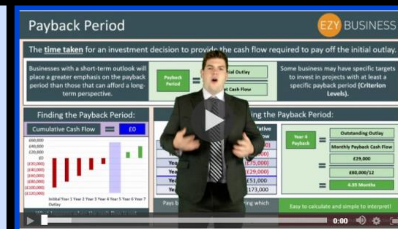
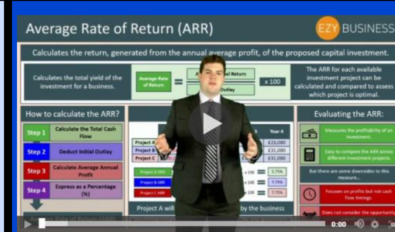
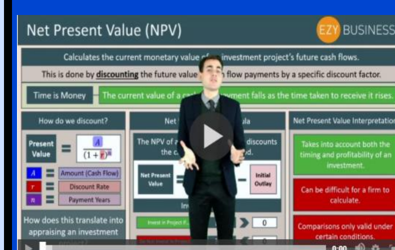
BS.4.

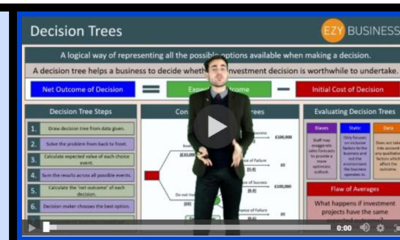
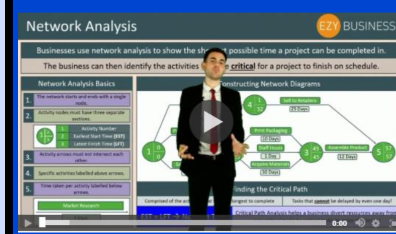
Causes of Change

Change can be disruptive, in the sense, that it can destabilise the processes and operations of a business and unsettle staff members along the way.

However, if a business puts in place a sufficient and effective strategy to deal with change then quite often the chances of change bringing large problems and disruption will be minimised. Often the ability for a company to manage change depends on the form of change that the business is having to manage and the pace at which change takes place.



BS.5.	**Porter's Strategic Matrix** Whenever a business is designing and implementing a strategy, the management team of a business need to decide upon the direction that the business wants to take to succeed in achieving that strategy. Often, this involves a business working out where it is going to position itself in the marketplace in relation to its targeted customer base. Michael Porter stated that there are four general strategies available to any business in any industry. The matrix is used by businesses as a framework for identifying the strategic position they will be taking going forward.	
BS.6.	**Ansoff's Matrix** The challenge for a lot of businesses is how to stay relevant in an ever-changing competitive environment. Businesses are often tasked with having to invent and launch new products to the market or improve their existing product range. The type of product that the business launches and who the business targets with this product will depend on the strategic direction that the business wants to take. Ansoff's matrix outlines the risks associated with launching a new product and venturing into an unknown market.	
BS.7.	**Payback Period** A business can never be sure that an investment will generate the returns that are expected to generate. This can often complicate the decision-making process behind investing because businesses have many alternative projects to invest in, but only enough resources to invest in one. Therefore, it is crucial that businesses can identify how long it will take the business to recoup the initial outlay of the project. The quicker the business can recover the initial cost of the project, the more favourable the investment project will be.	
BS.8.	**Average Rate of Return** The ARR of an investment project is a procedure used by businesses to try and quantify the profitability of an investment project undertaken. This done by dividing the total return the project is expected to generate by the number of years the investment will last for. This appraisal method is preferred over the payback period because it attempts to measure something which is more closely aligned with the shareholders objectives, but this measure does not provide any insight into the timing of cash flow payments. This is why it is overlooked by some businesses where survival is a more pressing objective.	
BS.9.	**Net Present Value** How often have you heard the phrase 'Time is Money'? Well, this phrase links succinctly into finding the net present value of an investment project. This is because a fixed sum of money today is always worth more to an individual than the same fixed sum of money in a years' time. This is due to a series of factors which cause the real value of money to fall the longer it takes for us to receive that cash payment. This applies to investment projects because the returns are generated over the lifetime of the investment and not immediately. Therefore, if a business is to appreciate the real returns of an investment over time, the value of future returns need to be discounted by an appropriate amount to reflect the time value of money concept. This is the added value of using the Net Present Value.	

BS.10.	**Decision Trees** Nothing is ever certain in business. When a business has a range of different investment opportunities to undertake, tough decisions must be made regarding which project the business should allocate their resources to. However, even if a business predicts that an investment project will pay off, there is always a possibility that it may not be quite as successful as the business had hoped. Decision trees are a graphical way of representing the range of uncertain outcomes that can occur when an investment project is undertaken.	
BS.11.	**Network Analysis** Project management is a term that relates to how efficiently and effectively businesses can run a project, and crucially, the ability of the firm to deliver the project on time. The bigger a business becomes, the bigger the scale and might of their projects. This means that businesses must manage and juggle a series of time sensitive and complicated tasks to ensure that no process holds back the progress of the overall project. Network analysis diagrams allow project managers to quantify and visualise the challenges that lie ahead within a project and which tasks cannot be delayed if the project is to finish on schedule.	

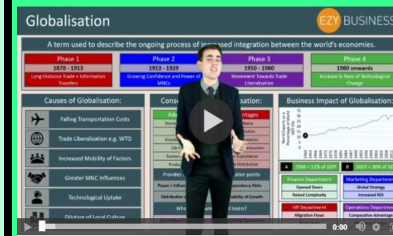
GLOBAL BUSINESS – 5 RECAP VIDEOS

GB.1.

Globalisation

Globalisation is a term which is used to explain how individual economies have moved away from their localised specialities towards a more global approach. Globalisation has fielded a series of advantages for firms, be that small or large, through the reduction in transportation costs and trade barriers.

Even though you could argue that the biggest recipients of the benefits of globalisation are the largest firms (MNCs) it is also important to stress the role that globalisation has had on helping economies develop and progress. The art of answering a question on globalisation is to avoid getting into the "fluff" that comes around this topic and directly address the winners and losers of this ongoing process of integration.



GB.2.

Conditions that Prompt Trade

For many businesses there becomes a limit to just how far a business can progress within the realms of their own domestic customer base. Therefore, the easiest growth opportunities that a business can exploit in a globalised world is to expand into other international markets.

However, this trading model is only viable and desired by firms that have the business model to scale up and reap the benefits of trade. To assess the factors that influence a business's decision to trade with the rest of the world we need to focus on the factors that encourage firms to move away from their domestic market (push factors), but also those factors that entice firms to move into a new lucrative market (pull factors). If you're comfortable with a few of these factors, you will be able to give a nice nuanced response to the factors that drive international business expansion.

GB.3.

Assessing International Expansion

Often the focus can be on a firm's desire to expand internationally to sell a broader customer base that has not been exposed to the firm's products and services. However, just as tempting for a business is to expand internationally to exploit cost advantages on the production side of the business.

Therefore, businesses will quite often need to assess which regions of the world present significant production opportunities and which areas of the world provide significant market opportunities.

GB.4.

Global Marketing

When a business expands internationally into a new market the focus is placed on the benefits that this will generate for that firm. However, there are lots of examples of firms in the past that have tried to be too ambitious too quickly and have had to retrench shortly after expansion due to the failings of the move.

This is because often firms try to expand into a different market applying the same business model in their domestic market. However, there are huge cultural divides and preference differences between a firm's domestic customer base and an international one. Therefore, a business needs to respect the differences between the markets and adjust accordingly to ensure that the expansion has the best chance of succeeding. One aspect of the business model which will need to be adjusted is the marketing department of the business as this reflects how the business can connect with their customers.

GB.5.

MNCs

A multinational corporation (MNC) is a firm which conducts activities in different international markets. These companies represent the biggest and most powerful brands in the world.

However, despite being responsible for creating millions of jobs around the world, there is always a question mark surrounding the behaviour of these firms and whether in fact their behaviour is ethical. This is always a really good evaluation point when discussing the impact and consequences of globalisation in an essay.