

Unit 25: Sport as a Business

Unit code:	Y/502/5781
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

This unit will enable learners to explore aspects of business in sport and enable them to conduct and use market research.

● Unit introduction

Sports businesses generate substantial annual turnover. Many people participate in organised sports clubs, gyms and attend major sports events. The commercialisation of sport can be seen on the high street; well-known global sports brands have seen their products become fashion wear, and the tracksuit and trainers has become a 'uniform' for many groups around the world.

Sports businesses are always planning for growth, and in the future there may be expansion in the availability of services, facilities and products. This unit looks at the skills needed to work in business, how sports businesses are organised and what makes a successful business. Areas of work could include professional sport, private, public and voluntary sports clubs, arenas, stadia, community and recreation sport programmes, the sporting goods industry, media, print or broadcasting.

A large proportion of sports businesses are small companies. For example, the majority of fitness companies across Europe typically employ fewer than 10 staff, and most personal trainers, even those working within established health and fitness clubs, are self-employed.

Sports businesses face challenges because those who provide the experience cannot predict the outcome; the nature of the activity is spontaneous and the results can be uncertain. Sports businesses can earn significant portions of revenue, not just for the sale of a game but other sources such as television rights and merchandise.

This unit develops learners' understanding of the core aspects of business including organisation, structure and reasons for success. Learners will examine the legal and financial factors that influence sports businesses. Learners will also explore the use of market research, marketing and promotional planning which are essential in developing a successful customer-focused business.

● Learning outcomes

On completion of this unit a learner should:

- 1 Know how businesses in sport are organised
- 2 Know what makes a successful sports business
- 3 Know the legal and financial influences on sport as a business
- 4 Be able to use market research and marketing for a sports business.

Unit content

1 Know how businesses in sport are organised

Sports businesses: eg public sports and leisure clubs, private sports and leisure clubs, professional sports clubs, amateur sports clubs, coaching services, health and fitness facilities

Organisation: types of business eg sole trader, partnerships, private limited companies, public limited companies, franchises, nationalised industry; structure eg senior management, management, functional departments, regional structures; staff eg chief executive, duty manager, sales manager, reception, leisure attendant

2 Know what makes a successful sports business

Success: eg income, profit, growth, sustainable, customer satisfaction, staff satisfaction, achieving targets and aims, fulfilling remit

3 Know the legal and financial influences on sport as a business

Legal influences: eg Companies Act (1989), Partnership Act (1890), Fair Trading Act (1973), Health and Safety at Work Act (1974), statutory requirements, health and safety, employment laws, licensing, insurance, planning permission, local bye-laws

Projected cash flow: eg cash inflows, capital, sales, loans, timing of inflows, cash outflows, purchases, loan repayments, wages, rent, promotion costs, purpose of having projected cash flow, determine working capital requirements, make business decisions, use of projected cash flow software, interpretation of results

4 Be able to use market research and marketing for a sports business

Plan: reasons eg customer knowledge, competitors, the market environment, demand and trends, opportunities for development, pricing strategies; methods eg primary sources, secondary sources; selection of appropriate methods eg surveys, questionnaires, product testing, recording, interpreting; areas eg customer types, customer behaviour, sales trends, market share, market segmentation, competitor activities

Conduct: sample eg choosing the sample size, location of sample, time of sampling, implications of different samples; cost and accuracy of information; survey design (questions to be asked, length of survey); types of questions (sequencing, dichotomous, multiple-choice, scaled, open-ended); bias; relevance; response; recording response data

Marketing activities: eg select major type of promotion to be used (magazine, television, newspapers, dates and time, target audience), develop advertising messages, training sales staff, plan and implement sales promotion (leaflets, taster sessions, open days, offers, price), analyse competitor's prices, formulate pricing plan, set prices, establish discounts for certain buyers, establish terms of memberships and entrance fees

Promotional plan: development of promotional objectives; assess promotional opportunities, resources and policies; characteristics of target market; availability of promotional methods; formulate the promotional plan and revise the plan for implementation; coordinate and control promotional activities; advertising eg budget objectives, target audience, non-personal communication; publicity eg press release, feature article, magazine, radio, captioned photograph, television; public relations eg manage and control use of effective publicity; sales promotion eg personal selling, seasonal promotion offering product at attractive price

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe the organisation of two different sports businesses	M1 compare and contrast the organisation of two different sports businesses	
P2 describe what makes a successful sports business	M2 explain what makes a successful sports business	
P3 describe three legal influences on a sports business	M3 explain three legal influences on businesses in sport	
P4 describe a basic cashflow for a selected business		
P5 plan market research related to, and appropriate for, a selected sports business [IE1, CT1, CT2, TW1, TW2, TW3, TW4, TW5]		
P6 conduct market research related to, and appropriate for, a selected sports business, recording and interpreting results [IE1, IE2, CT1, CT2, TW1, TW2, TW3, TW4, TW5]	M4 conduct market research related to, and appropriate for, a selected sports business, explaining the results	D1 analyse the results of the market research, drawing valid conclusions
P7 describe the marketing activities of a selected sports business		
P8 produce a promotional plan for a selected sports product or service, drawing on market research. [IE2, IE3, IE4, IE5, TW1, TW2, TW3, TW4, TW5]	M5 justify a promotional plan for a selected sports product or service.	D2 evaluate the promotional plan identifying areas for improvement.

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

Key	IE – independent enquirers	RL – reflective learners	SM – self-managers
	CT – creative thinkers	TW – team workers	EP – effective participators

Essential guidance for tutors

Delivery

Tutors should introduce the unit by identifying a range of sports businesses, for example public and private sports and leisure clubs. Case studies should include sports businesses in the local area. Learners need to know how these businesses are organised. For example, are they partnerships, private limited companies or public limited companies, what structures and staffing levels do they have? Learners should consider the success or failure of these businesses. Why is one sports business more successful than another? Tutors should discuss business organisation only in the context of sport.

When comparing the organisation of two sports businesses the comparisons should be made between two different businesses for example a football club and a health club or sports retail outlet. This means that learners need to research different types of businesses. They could also investigate the impact that the law has on businesses within their research.

Learners should be introduced to the importance of cash flow in a business. They may be able to use a local business, but they might find that specific details are difficult to come by. Learners should therefore work with case studies to practise preparing a basic cash flow. A visiting speaker would help learners to develop understanding of the importance of cash flow in any business and the risks to the business if cash flow is not properly maintained.

To learn about market research, learners should discuss the reasons why businesses engage in market research activities such as surveys, and consider the methods used. Giving learners a variety of market research methods will help them select an appropriate one for their selected sports business. Learners should research an appropriate sample size and a type of survey most appropriate to their sample. Tutors should support learners to conduct market research and record results.

The promotional plan should be developed drawing on the results of market research. Learners should therefore include questions on appropriate types of promotion within their market research.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction and overview of the unit
Assignment 1: The Organisation and Success of Sports Businesses (P1, P2, M1, M2). Tutor introduces the assignment brief
Learners research in groups to identify sports businesses and share research in a tutor-led discussion
Tutor-led preparation of questions for visit to sports businesses regarding the organisation of the business
Learners visit sports businesses with prepared questions regarding the organisation of the business, either tutor or learner choice
Learners research the organisation of different sports businesses
Groups share their research with their peer groups
Tutor-led discussion: learners to make comparisons between different sports businesses
Tutor-led session: describing what makes a successful business
Whole group discussion (tutor-led) – what makes some sports businesses more successful than others? Includes learner research task
Groups explain reasons why some businesses are more successful than others – learner feedback applying research
Individual learning time and assignment preparation
Assignment 2: Legal and Financial Aspects of Business (P3, P4, M3). Tutor introduces the assignment brief
Learner research and group discussion regarding legal influences on sport as a business
Tutor-led discussion regarding cash flow in business
Visiting speaker from the financial department of a business
Learners practise with case studies to develop cash flows for businesses using selected data
Learners work individually on cash flows for a selected business or case study for assignment
Assignment 3: Market Research and Promotion (P5, P6, M4, D1, P7, P8, M5, D2). Tutor introduces the assignment brief
Tutor-led discussion into the reasons for market research and methods
Tutor-led discussion covering types of customers for selected sports businesses
Learners in groups plan market research for a selected sports business developing a questionnaire or survey
Learners in groups conduct market research
Learners in groups discuss the results of the market research
Tutor-led discussion relating to marketing activities of sports businesses (whole-group and small-group work)
Preparation for and visit to a selected sports business to find out about marketing activities
Promotional planning: learners consider the information for a promotional plan drawing on their own research
Individual learning time, learners produce a promotional plan for a selected sports product or service
Evaluation of unit

Assessment

For P1, learners need to describe the organisation of two different sports businesses. The description must include details of the types of business, their structure and their staffing. Evidence could be in the form of a written report or posters or wall chart with a short presentation describing the visual material.

For P2, learners must describe what makes a successful sports business. This could include concepts such as income, profit, growth, sustainability, customer satisfaction, achieving targets and aims and fulfilling remit. This might be evidenced by a table and supporting summary describing each concept to identify why the sports business is successful.

For P3, learners need to describe three legal influences on sports businesses, for example health and safety. The description could relate to a sports business they have already investigated or as a result of a visiting speaker describing legal and financial influences on their own sports business. For P4, learners must describe a basic cash flow for a selected business – this may well be a case study if data from a researched business is difficult to obtain. Written evidence might include a presentation, a leaflet or booklet.

For P5, learners must plan market research, related to, and appropriate for, a selected sports business. This could be for one of the businesses selected for P1 or a different one. The plan should include the reasons for conducting the research, the methods used and what area of the business, or business activities, the plan relates to. Learners should then conduct market research related to, and appropriate for, a selected sports business (P6), recording and interpreting their results. The market research will be conducted using the material learners planned for P5. Tutors can support learners to enable them to conduct market research. Evidence for these criteria would be written.

Following the market research learners have to describe the marketing activities of a selected sports business (P7). Once again this could be the business that learners have already investigated for P1 or P5. Marketing activities would include areas such as promotion including types of promotion used, for example newspapers, television, or magazines. The promotional research would assist the learner to produce a promotional plan (P8) for a selected sports product or service. This could be a product or service that learners are familiar with, or have an interest in, or a product or service from within the sports business which learners have investigated for this unit. The evidence for P7 and P8 might be written in the form of a report for the business involved including a promotional plan.

For M1, which builds on P1, learners must compare and contrast the organisation of two different sports businesses. The evidence could be in the form of a table with supporting written summary. Learners need to explain what makes a successful sports business for criterion M2. The explanation could be an extension to the original table and summary provided for P2.

For M3, learners need to explain three legal influences on sports businesses. This builds on the description required for P3.

For M4, which builds on P6, learners must conduct market research which is related to and appropriate for, a selected sports business and explain their results. Analysing results, and drawing valid, justifiable conclusions, would allow learners to meet D1. For M5, which builds on P8, learners need to justify their promotional plan. This could form part of the conclusion of their report.

For D2, learners need to evaluate the promotional plan that they have produced for a selected product or service, identifying areas for improvement. This section could conclude the written report.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the assessment and grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, M1, M2	The Organisation and Success of Sports Businesses	You are considering setting up a business in personal training and explore the types of sports businesses and their organisation.	Report or presentation Witness statement
P3, P4, M3	Legal and Financial Aspects of Business	You need to be aware of the legal and financial aspects of sports businesses.	Report on a case study
P5, P6, P7, P8, M4, M5, D1, D2	Market Research and Promotion	Having received a brief from a marketing department you conduct market research for the business and develop a promotional plan.	Report or presentation Witness statement

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Sport sector suite. This unit has particular links with the following unit titles in the BTEC Sport suite:

Level 2 Sport	Level 3 Sport
Sport and Leisure Facility Operations	Sports Facilities and Operational Management
Business Skills in Sport	

This unit links with the National Occupational Standards (NOS) for:

- Leisure Management at Level 3
- Sports Development at Level 3.

Essential resources

Effective delivery of this unit will require exploration into the business organisations of various types of sports businesses. Visits to sport and leisure organisations will give learners first hand experience of how these organisations operate and the skills needed to carry out market research and marketing activities. Learners will need to visit different sport and leisure businesses in order to carry out comparisons before selecting a service or product for their promotional plan.

Employer engagement and vocational contexts

This unit focuses on the business skills needed to work in a business, how sports businesses are organised and what makes a successful business. Visits to sports businesses in the public, private or voluntary sector will enable learners to learn about the organisational skills behind the running of different sports businesses. Developing links with sports businesses will also help learners to identify successful businesses, conduct market research and produce a promotional plan through meeting experienced management teams.

Indicative reading for learners

Textbooks

Dransfield R et al – *BTEC National Business* (Heinemann, 2007) ISBN 9780435454494

Nutall C J – *Edexcel GCSE Business Studies* (Cambridge University Press, 2001) ISBN 9780521003643

Websites

Federation of Small Businesses

www.fsb.org.uk

UK National Statistics

www.statistics.gov.uk

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
Independent enquirers	planning market research related to, and appropriate for, a selected sports business conducting market research related to, and appropriate for, a selected sports business, recording and interpreting results producing a promotional plan for a selected sports product or service, drawing on market research
Creative thinkers	planning market research related to, and appropriate for, a selected sports business conducting market research related to, and appropriate for, a selected sports business, recording and interpreting results
Team workers	planning market research related to, and appropriate for, a selected sports business conducting market research related to, and appropriate for, a selected sports business, recording and interpreting results producing a promotional plan for a selected sports product or service, drawing on market research.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
Independent enquirers	researching how sports businesses are organised
Reflective learners	considering research data in order to describe marketing activities of a selected business developing the promotional plan
Team workers	researching market research methods with their peers
Self-managers	conducting market research.

● Functional Skills – Level 2

Skill	When learners are ...
ICT – Use ICT systems	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	designing market research surveys/questionnaires
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	preparing market research surveys preparing a promotional plan recording and interpreting market research results
Manage information storage to enable efficient retrieval	recording market research data, sales trends, customer behaviour
ICT – Find and select information	
Select and use a variety of sources of information independently for a complex task	conducting market research/surveys and questionnaires
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	preparing market research data
ICT – Develop, present and communicate information	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> • text and tables • images • numbers • records 	preparing market research surveys preparing market research questionnaires recording market research data
Bring together information to suit content and purpose	interpreting market research data
Present information in ways that are fit for purpose and audience	designing market research surveys/questionnaires designing a promotional plan
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	creating and analysing questionnaires/surveys
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	discussing methods of conducting market research presenting information regarding legal and financial influences
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	writing reports, describing the organisation of a sports business and what makes a successful business.