
Overview

Being able to identify business opportunities and their potential for growth is one of the keys to business success. When considering a potential opportunity it is important to take the time to assess the strengths and weaknesses of the proposition and be aware of any risks that may be involved. Finding out how successful entrepreneurs have managed risks will help you make informed decisions and avoid common pitfalls.

You might do this if you want to:

1. develop the abilities that will help when setting up a business in the future
2. understand how businesses succeed

This standard is intended for use in schools and similar settings. It is anticipated that learning and development programmes that are consistent with the standard will have practical activities that mirror or practice aspects of business enterprise, use case studies and other examples of business enterprise and bring people into contact with successful entrepreneurs. To reflect the fact that we do not expect people working to these standards to be directly engaged in preparing, starting or running a real business we have placed the term *business* in italics at appropriate places to indicate that we have in mind a simulated or practice activity.

Identifying and managing opportunities and risks involves:

1. identifying and developing ideas for new products or services
2. being imaginative in the ways you can do business
3. assessing the risks involved in different opportunities

Performance criteria

You must be able to:

- P1 create or identify an opportunity for a new product or service for a *business*
- P2 develop an idea for a new product or service
- P3 develop an idea for new and better ways of doing things in a *business*
- P4 motivate other people to offer new ideas for a *business*
- P5 assess the pros and cons of different ways of developing a *business*
- P6 decide what a reasonable risk for a *business* is and whether it is worth taking
- P7 learn from what works and what doesn't
- P8 show the drive and enthusiasm to succeed

Knowledge and understanding

You need to know and understand:

- K1 the importance of identifying and creating business opportunities
- K2 how successful entrepreneurs have identified and created business opportunities
- K3 how innovation can deliver business benefits
- K4 how successful entrepreneurs have encouraged and utilised new ideas and innovation
- K5 how entrepreneurs judge their strengths and weaknesses and the opportunities and threats they face
- K6 that starting and growing a business involves risk
- K7 how successful entrepreneurs manage risk

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Additional Information

Links to other NOS

These Business Enterprise units may be relevant when you are setting up or developing a business:

EE1 Achieve the goals for your business

EE4 Find innovative ways to improve your business

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