

# Summer Independent Learning

Unit 22 Sport Business



# Introduction

- Welcome to your SIL. You will be required to complete all tasks in each section.
- Information will be provided and extensive research will need to be carried out.
- In your external assessment in January 2023 you will be required to carry out extensive research into sport business.



# Unit Introduction

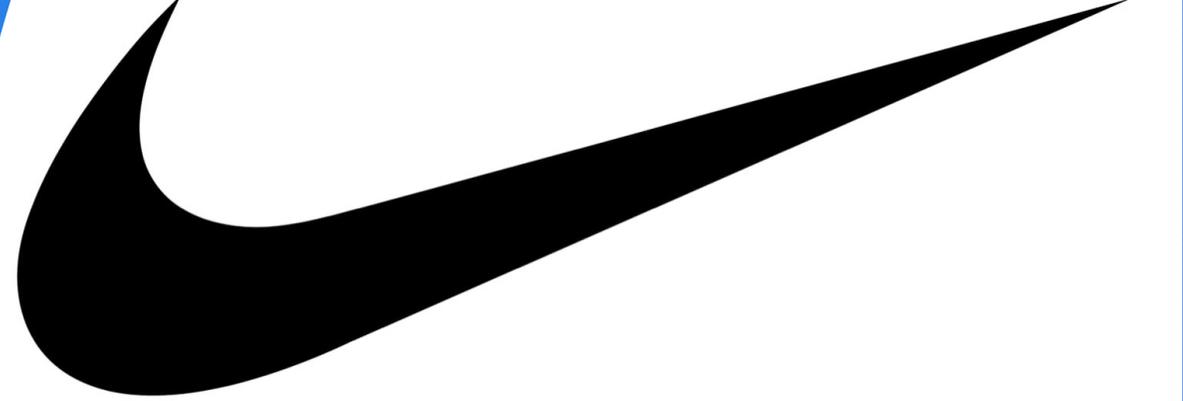
- Sports businesses are always planning for growth and expansion in the availability of services, facilities and products. This unit looks at the skills needed to work in business, how sports businesses are organised and what makes a successful business. Areas of work could include professional sport; private, public and voluntary sports clubs, arenas, stadiums; community and active leisure programmes; the sporting goods industry; media, print or broadcasting.
- In this unit, you will investigate industry trends, changes and other developments such as technology, to explore how they can affect the performance, and ultimately the success, of businesses. You will use given data and other information to make recommendations on how a business should adapt and develop to take full advantage of market opportunities, while at the same time looking at how to reduce the potential effects of threats and risks. To complete the assessment task within this unit, you will need to draw on your learning from across your programme.
- This unit will help you to make an informed choice as to whether you want to continue your studies to higher education or develop your career in the commercial side of the industry.



# Learning Outcome

## A

- Sport is big business. We are all familiar with products and services of global retailers of sports equipment and clothing, media organisations, premier league football clubs, stadia and arenas, and the many chains of private gyms that have emerged from an increased public awareness of health and fitness.
- Activity 1
- You are to pick one Sport business and analyse why this business is successful. What makes this business successful and why is it so popular?
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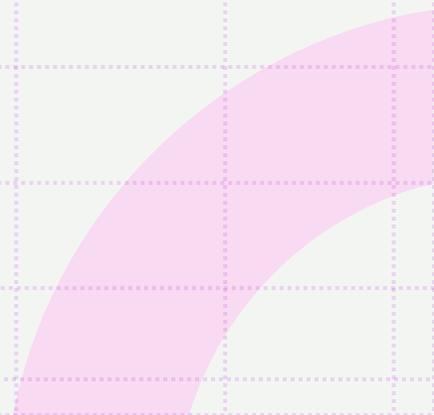


MYPROTEIN



Premier  
League

# Activity 1





## Information

- Many sports businesses are small, employing just a few people- Often a single manager must have all the business skills that in a larger business would be spread across several departments. Consider these smaller types of businesses and how many you have encountered.

# REPORT

## Activity 2



Research Task



You are required to research the below key terms providing a description and several sports examples in your work.



Sole Trader



Partnership



Private limited companies



Public Limited companies

Sole Trader

Partnership

**Private Limited** companies

Public Limited companies

## Activity 2

# Private Limited Companies

- These are generally smaller businesses organised with shareholders who invest money to buy a share of the company, with a private limited company, the share cannot be bought openly on the stock market but only by coming to a deal with existing shareholders.



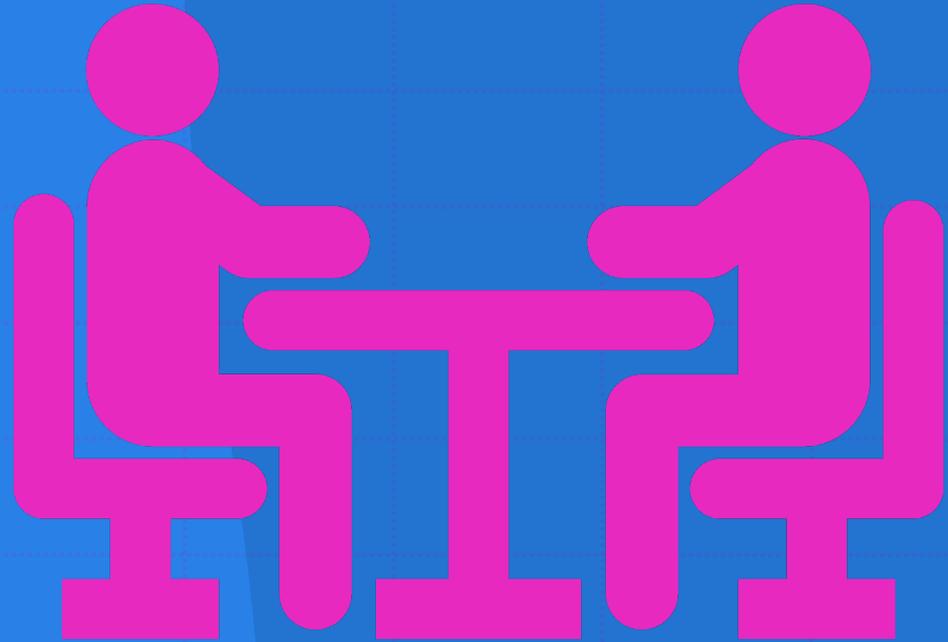
# Sole Trader

- Sole trader is when a person, such as a personal fitness coach ( offering a service) or a small sports shop run by an individual trades as an individual. They will be the decision maker and run the business as they wish, enjoying the profits but also having unlimited liability for any debts.



# Partnerships

- This business arrangement is used when two or more people wish to come together to form a business. They all have to share responsibilities which are written into a contract called a deed of partnership. The partners share the profits but are also liable for any debts.



# Types of Business

Any sports and active leisure business will belong to one of three types:

Private

Public

Voluntary.

# Public Companies.

These organisations have been set up and are funded by the Government. They are intended to function 'at arm's length' from the Government, running their respective areas semi-autonomously, but with funding guaranteed, usually drawn from Lottery services.

Task- Define all the keywords below linking it back to the public sector.  
cost control, value for money, service quality, meeting government standards

# Task Public Sector

Define all the keywords below linking it back to the Public sector.

Cost control-

Value for money-

Service quality-

Meeting government standards-

# Forbes

## Private Sector Businesses

- Privately owned businesses are not owned by local or national governments but are owned by an individual person or by a group of people, potentially up to thousands of them. There are several different ways that a privately owned business can be set up.
- Task- Define all the keywords below linking it back to the private sector.
- making profits, break-even, survival, growth, market leadership, diversification, service provision, strong customer service/satisfaction

# Private sector Task

- Task- Define all the keywords below linking it back to the private sector.
- Making profits-
- Break-even-
- Survival-
- Growth-
- Market leadership-
- Diversification-
- Service provision-
- Strong customer service/satisfaction-



# Voluntary Sector

- Charitable trusts are created for the public good to promote area such as public health, education and relief from poverty. Charitable trusts operate on a not-for-profit basis and, as a consequence, are exempt from most taxes.
- Task- How do voluntary businesses support communities. Provide a description and explanation.

# Voluntary Sector Task

- Task- How do voluntary businesses support communities. Provide a description and explanation.

# Activity 3



IDENTIFY ONE BUSINESS WHICH FALLS INTO THE THREE CATEGORIES LISTED AN THE PREVIOUS SLIDES?

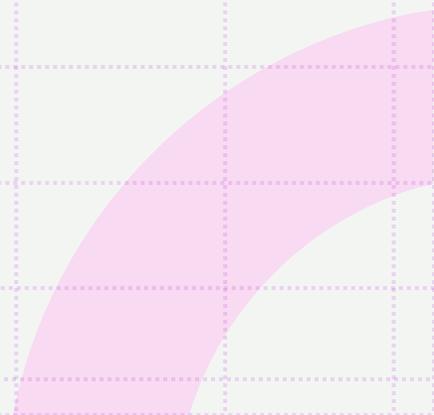


DESCRIBE THE PORPUSE OF THE BUSINESS AND THE IMPACT?



EXPLAIN USING EXAMPLES WHY THESE COMPANIES ARE IMPORTANT TO THE WIDER COMMUNITY?

# Activity 3



# Scope and Size

- **Local-** A local sports business may be a personal training business that aims to help clients lose weight, based in specific town or its surroundings. A business like this is likely to be a sole trader, a partnership or a private limited company
- **National-** A national sports business or organisation is one that operates throughout a particular country. An example is Sport England which is tasked with promoting physical activity throughout England. At national level and above, a business is unlikely to be a sole trader or partnership.



# Scope and Size

- **International-** An International business trades across International borders, for example, most Premier League Football Clubs sell merchandise to fans in different countries.
- **Multinational-** A multinational business has assets and activities in at least one other country other than its home country. For example, Nike has manufacturing and retail outlets around the globe.



# Size of Business

- The size of a business generally refers to its total number of employees.
- Micro- Up to 9
- Small- 10-49
- Medium- 50-249
- Large- 250+



# Activity 4

Complete the table below from information gathered from the previous slides

Category of business	Number of employees	Example

# SMART Targets

- All businesses in this industry will want to increase participation, raise awareness and meet current trends. But the businesses are likely to have other aims and objectives, too, and these will vary from sector to sector and be used to help judge whether or not the business is successful.



# SMART

Abbreviation	Meaning	Example
Specific	They say exactly what they mean.	To increase the profit margins for the business.
Measurable	You can prove that you have reached them.	To increase profit by 20%
Achievable	They are actions you can in fact achieve.	To increase the business profit margin by employing increased service provision with a strong customer service focus.
Realistic	You will be able to achieve them but will be challenging.	The increase in profit must be manageable- 100% in 2 months is not achievable.
Time- Constrained	They have deadlines	To reach the target by the end of the next financial year

# Private sector

- The fundamental aim of any private business is to make money for its owners or shareholders. But the circumstances that the business finds itself in will affect the aims and objectives that it chooses in order to try and achieve this.
- Making Profit- Successful companies will end their year with a gross profit figure, which is income from sales minus any costs incurred in creating the goods or services they have sold. A better figure to use is net profit as that is the amount which is left over after deducting all costs. Private sector companies require higher net profit as this will not only define the success of their company, but it determines how much:
  - Can be taken as earnings by the owner
  - Will go to shareholders
  - Will be reinvested in the business



# Activity 5

You are now to use SMART targets to design a business plan. You are to create a business but this must be done using SMART targets.



# Activity 5

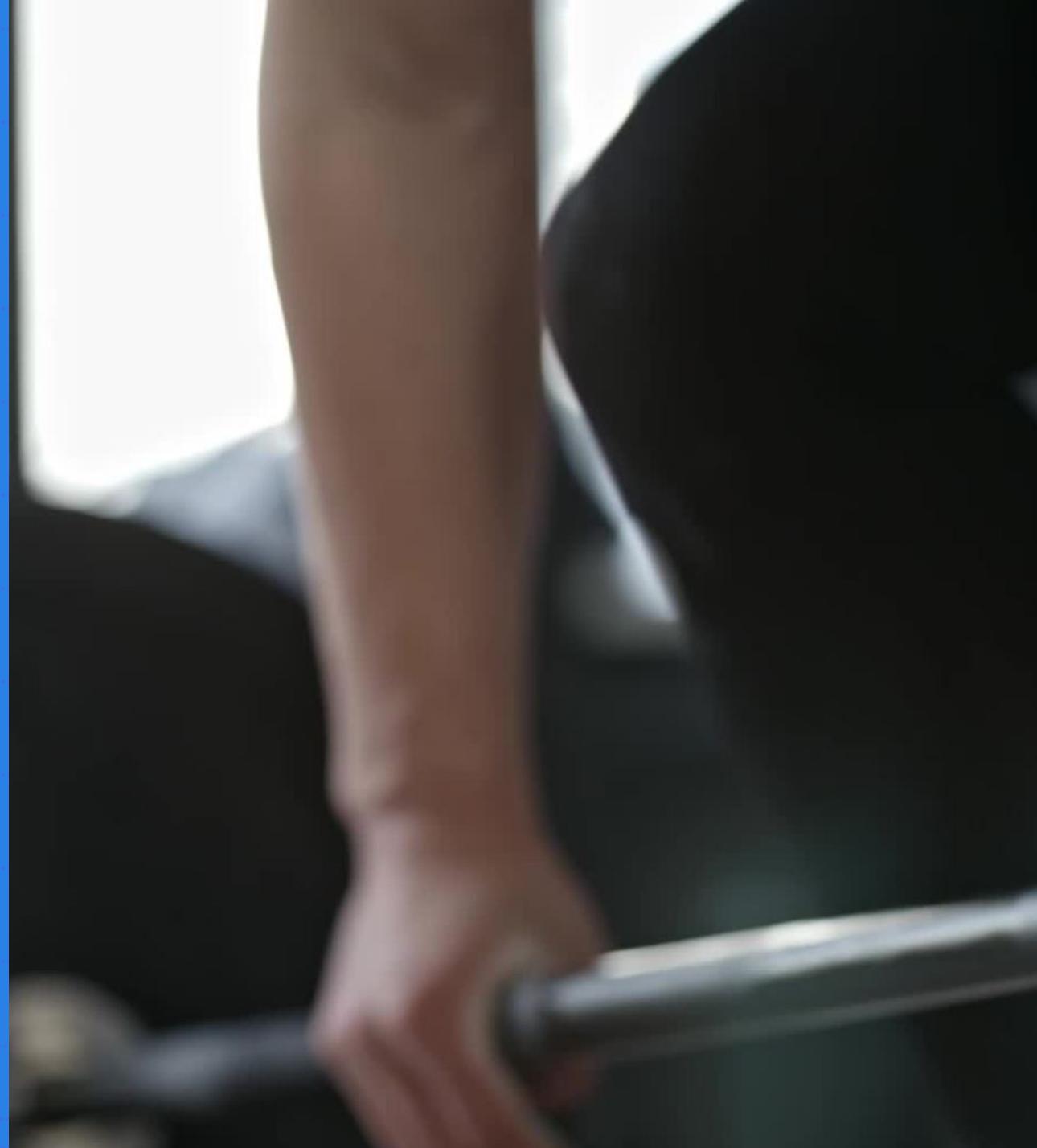
# Provision of Sports facilities, programmes and services

- Public sector funded facilities, programmes and service are paid for by local and national government out of taxes and through additional funding such as the National Lottery. Large multi-use facilities such as leisure centres, outdoor pitches and swimming pools are designed for the wider public use.



# Programmes to promote participation.

- These are programmes to increase a person's fitness levels, help them to lose weight or simply encourage greater social interaction, but will have potential health benefits.



# Provision of Sports facilities, programmes and services

- Many sport businesses have different provisions and services offered. These are categorised into seven sections:

Health and fitness programmes

Educational/school programmes

Sports programmes

Swimming Programmes

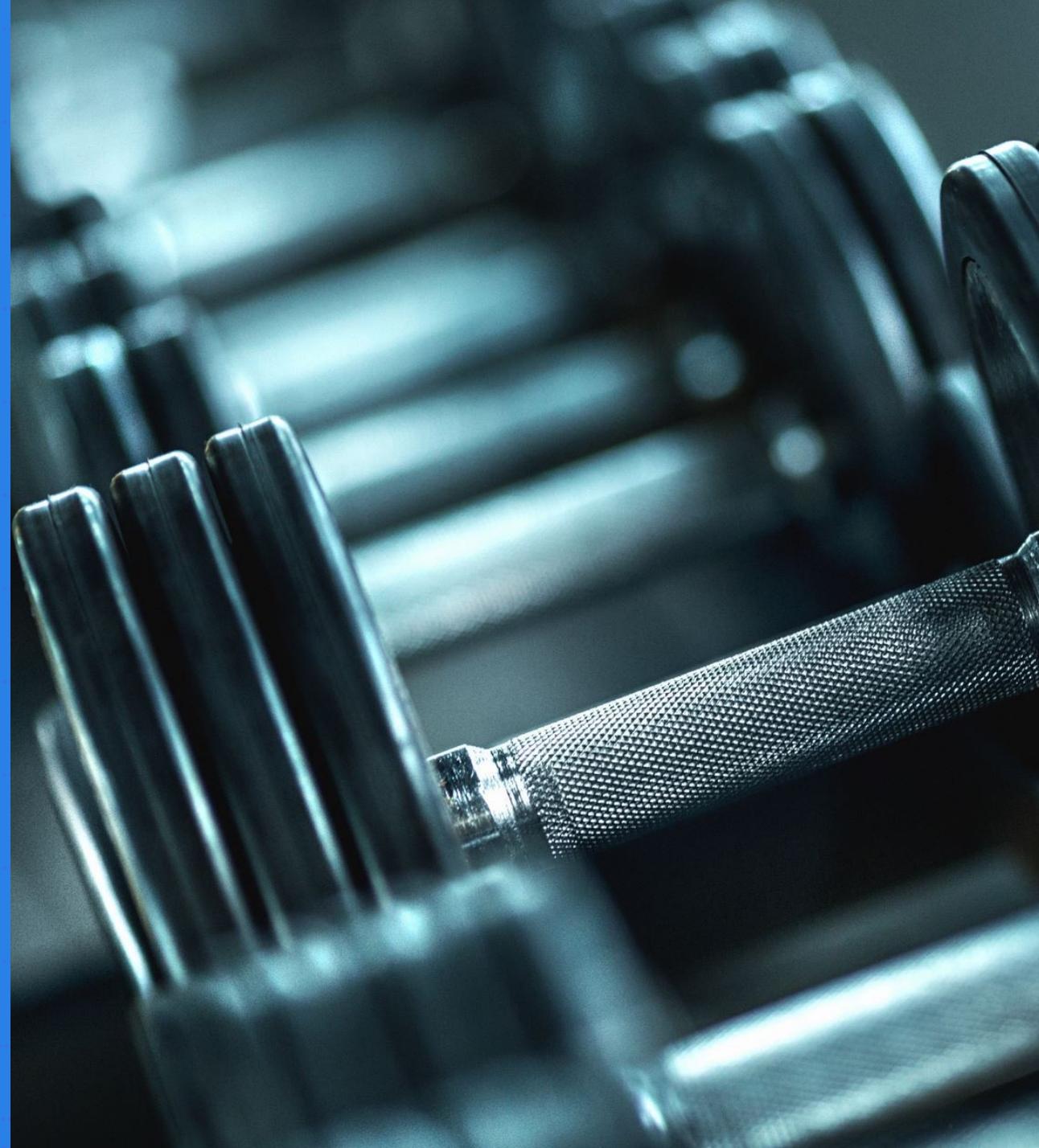
Programmes to enable demand

Programmes to serve specific groups.



# Programmes to Promote Participation

- Health and Fitness Programmes
- These programmes increase a person's fitness levels, help them to lose weight or simply encourage greater social interaction, but all will have potential health benefits.
- Activity 6
- You are to research the different types of programmes for each. You must provide examples and relate to sports business.
- Individual Training/Group Exercise activities/Water Based activities
- 



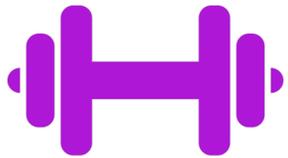
# Activity 6

Individual Training

Group Exercise  
activities

Water Based  
activities

# Programmes to promote participation



These are programmes to increase a person's fitness levels, help them to lose weight or simply encourage greater social interaction, but will have potential health benefits.



Activity 7



The Education/schools programmes play a massive part in keeping people active. You need to look at The Physical Education in schools and see how this is run and where the funds are from.

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# Research Task

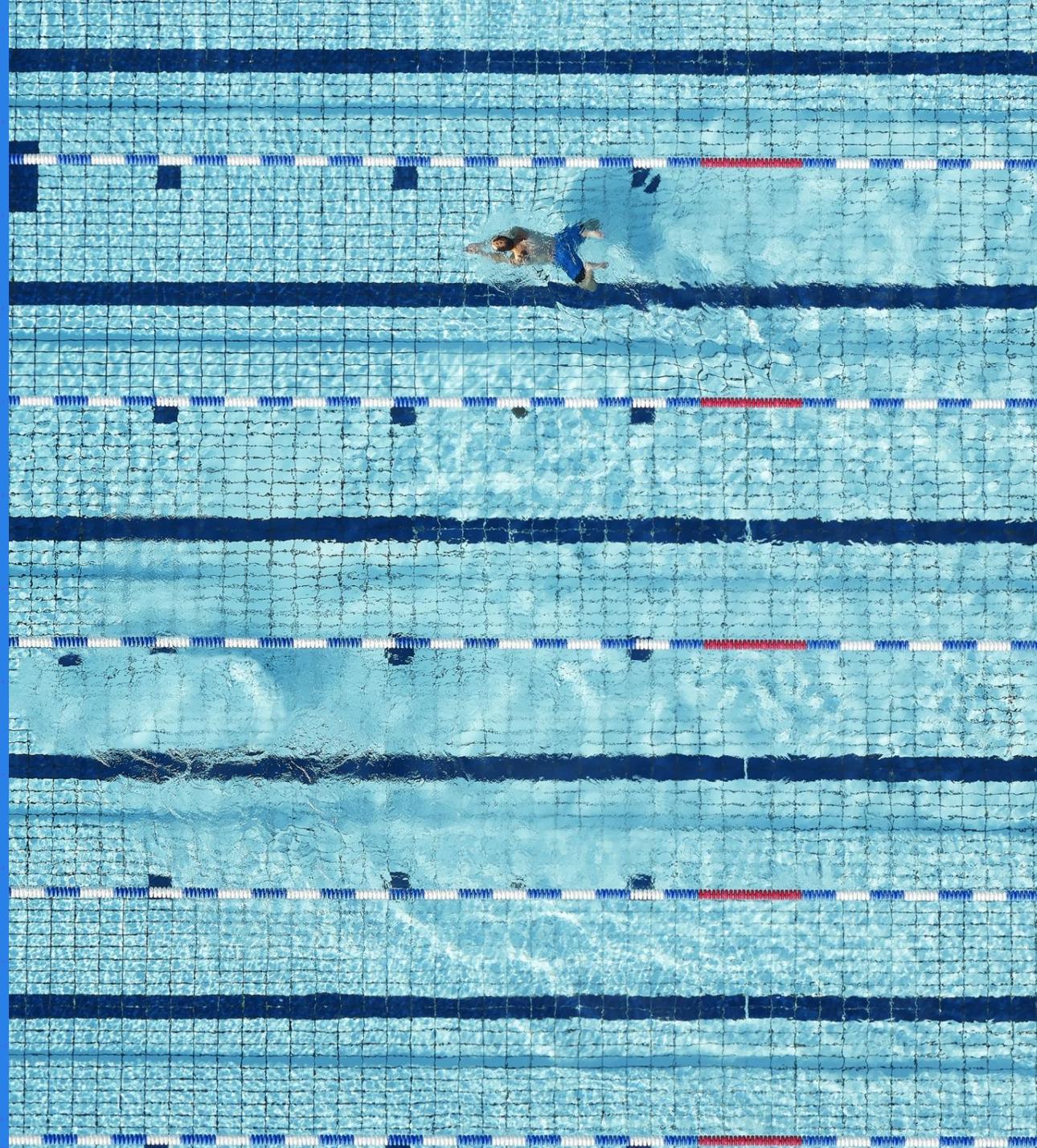
- Activity 8
- You are to research the different types of programmes for each. You must provide examples and relate to sports business.
- Gym Programmes
- Swimming Pool Programmes
- Programmes to Serve Specific Groups
- 



# Gym Programmes



# Swimming pool programmes



# Programmes to serve specific groups



# Services

- Many sports businesses are set up specifically to provide a service, such as instruction or sports injury treatment., but other businesses can increase their attraction to possible customers by arranging for these services to be offered within their facilities, too, either by using their own staff or by 'contracting in' one of the businesses set up to specialise in this area.



# Instruction

- No matter what the sport or activity, there is usually potential for a business to deliver instruction in it. For example:
- A running coach might give advice on gait analysis to improve running.
- An indoor climbing business might employ people to reach customers how to climb safely.
- The instruction could be provided on a one-to-one basis by a sole trader, offered as an extra service by private business.





# Therapeutic Services

- Physiotherapy and sports injury treatment is offered through the NHS via your GP, this is free when you get it, but there will be a waiting period of days or even weeks for an appointment, So, many public and private sport and active leisure businesses will offer there services.
- These appointments can usually be expensive and the people providing these services work both for public and private sector.

# Customer Service

- Customer service is important for all businesses regardless of whether they are public or private, a big or small company, or a sole trader.
- Good customer service can range from the welcome desk at the facility providing efficient and friendly welcome, to any issues being followed up promptly and resolved.



# Additional Factors

- One way that a business can distinguish itself from its competitors is to offer additional facilities such as:
- Refreshments
- Car parking
- Changing areas
- Lockers
- Creche



# Question 1

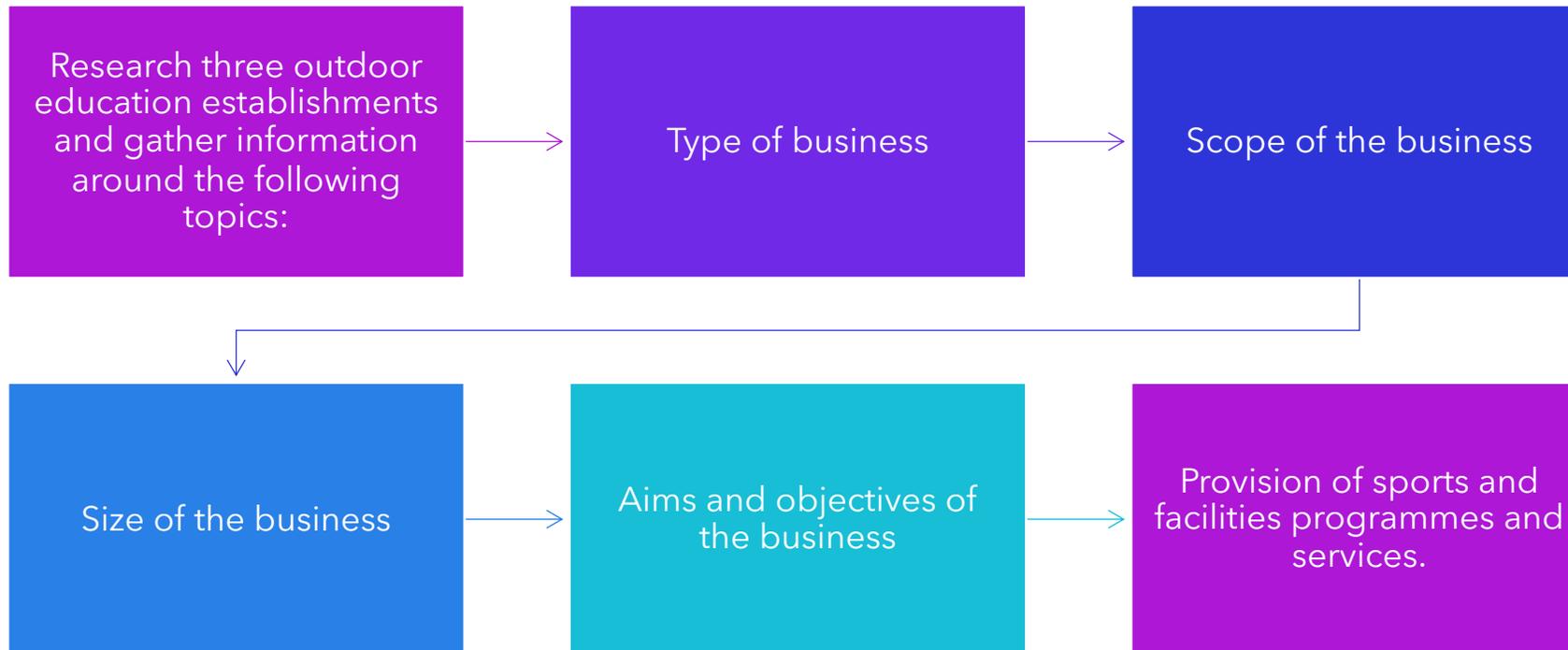
- The set task questions are the same every academic year. The only thing that changes is the type of business. You will need to carry out extensive research so you can compare and contrast your researched businesses to that given by the exam board. You will have four hours to complete your research and you can take the notes in with you.



# Example of Question 1 Part A

Part A Instructions	You have to prepare notes in response to the information provided in the case study in	Part A.	The notes can be handwritten or typed and they must contain bullets and not extended	answers. Other content is not permitted.
Part A Case Study	In preparation for Part B you will research three different outdoor education	businesses.	Your research should include:	<ul style="list-style-type: none"><li>• business operations</li></ul>
	<ul style="list-style-type: none"><li>• facilities</li></ul>	<ul style="list-style-type: none"><li>• products and services</li></ul>	<ul style="list-style-type: none"><li>• demographics.</li></ul>	

# Question 1 Task



# The Outdoor Education Company

# PGL Activity Centres

# PGL Activity Centres

# PGL Activity Centres

# PGL Activity Centres

Go Ape

Go Ape

Go Ape

Go Ape

# Part B

Part B Set Task Information

There are two outdoor educational businesses in the local area:

- OUTED Ltd (established in 1996)

- GOVENTURE (established in 2005).

OUTED - 'Live and learn'

OUTED is an outdoor and adventure education centre. OUTED operates as a private

limited company (Ltd). The company has an excellent reputation with very positive

customer feedback. OUTED's emphasis is to 'Live and learn'.

Business operations

Managing Director

Responsible for:

Finances and payroll

Staff training

Marketing

General bookings of all activities

Full-time staff (x3)  
Seasonal staff

(depending on demand)

OUTED pays for the qualifications and training needed for all the full time staff. It pays

50% of this cost for seasonal staff.

OUTED has a good website with information about its activities, prices and availability.

Instead of advertising it relies on its customers telling other people about their positive

experiences.

# Part B

## Facilities

OUTED's site includes:

- a storage facility

- main reception

- toilets

- a changing room (for 15 people)

- car park (for 3 cars and 1 minibus).

OUTED's resources include:

- 1 minibus – used to transport groups to the activity venues

- 15 mountain bikes

- 15 canoes and 8 small sail boats

- raft building/climbing/orienteering equipment

- all safety equipment used (or needed) for the sessions.

OUTED pays an annual fee to hire facilities and venues from the council, including the

surrounding countryside, a climbing wall, mountain bike trails and a lake.

OUTED does not have its own residential accommodation. They use the local youth

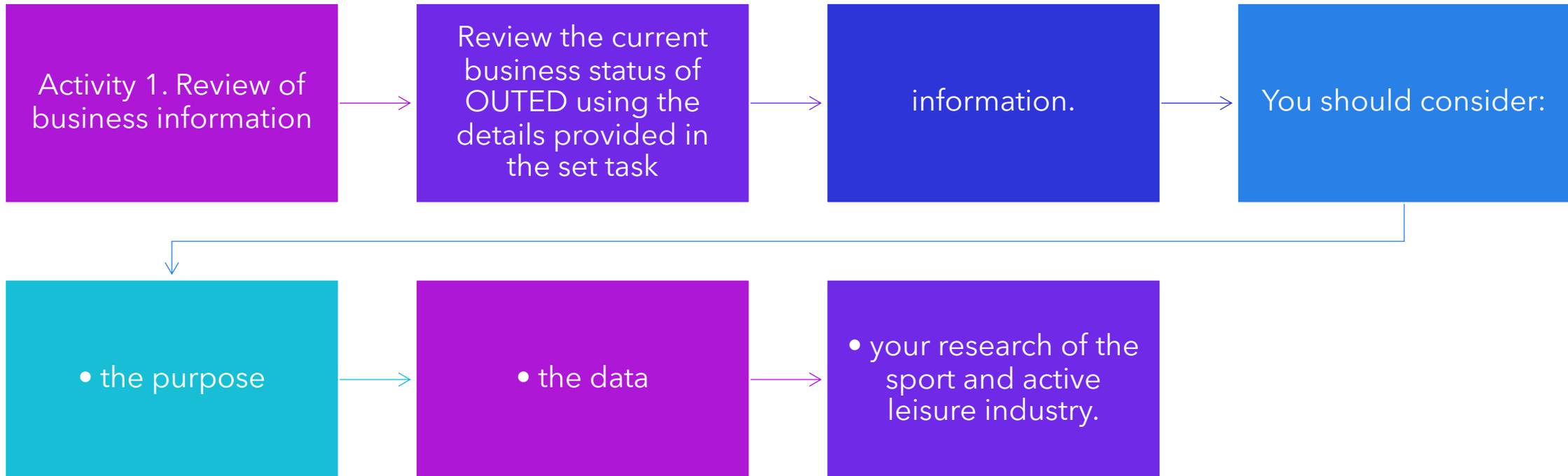
hostel that charges £20.00 per person, per night and works with OUTED to offer a 10%

discount for any group bookings (over 10 people). The youth hostel only accommodates

25 people.

Products and services

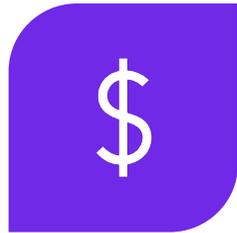
# Question 1



# Important Information



IN THIS QUESTION YOU WILL HAVE TO REVIEW THE BUSINESS OUTED LOOKING AT ALL THE RELEVANT INFORMATION AND LINKING IT BACK TO EVERYTHING YOU HAVE LEARNT IN THIS SIL.



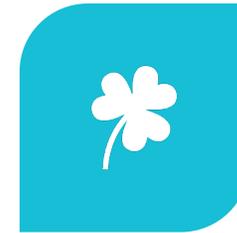
YOU NEED TO IDENTIFY THE TYPE OF BUSINESS E.G. IS IT A SOLE TRADER, PRIVATE LIMITED ETC THE SIZE OF THE BUSINESS ETC.



YOU THEN MUST LOOK AT THE ADVANTAGES AND DISADVANTAGES COMPARING IT TO YOUR THREE COMPANIES YOU HAVE RESEARCHED,



THERE ARE 16 MARKS AVAILABLE IN THIS QUESTION.



GOOD LUCK

# Answer for Question 1

# Answer for Question 1