

# 1.1 Enterprise and Entrepreneurship

## 1.1.1 The Dynamic Nature of Business

### 1- Why new business ideas come about

- Changes in technology
- Changes in consumer tastes
- Products becoming obsolete



### 2- How new business ideas come about

- Original ideas
- Adapting existing ideas



"After we left our jobs, we had no cash – just one month's salary each that we tried to eke out for two months. It took us four years before we were back to earning £40,000 – the same salary that we had left."



Having started the business Gymshark since 2020, Ben Francis has generated sales of £41 million a year. .

## 1.1.3 The Role of Business Enterprise

### 1-The purpose of business activity

- To produce goods or services
- To meet customer needs
- To add value through:
  - Convenience
  - Branding
  - Quality
  - Design
  - Unique Selling Points

### 2-The role of entrepreneurs

- To organise resources (get the people, materials and place to make and sell the goods)
- Make decisions (what to sell, who to sell to)

## 1.1.2 Risk and Reward

### 1- Risks of setting up a business

- Business failure
- Financial loss
- Lack of security

### 2- Reward for setting up business

- Business success
- Profit
- Independence



Cadbury adapted their classic Dairy Milk to appeal to customers looking to reduce their sugar intake.



The Segway was invented in 2001. It was meant to be the future of transport. They stopped producing them this year,



Ray-Ban sunglasses are an iconic brand. Their sunglasses cost over \$150 a pair. They have recently added a USP by allowing customers to build their own custom pair online.



Sarah Blakely invented Spanx (control underwear) in 1998 using \$5,000 of her savings she sought out textile mills to make her first batch of pants and sold the idea onto stores. She now employs 750 people.

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