

## HOSPITALITY

Unit 5: Finance and budgetary control for the hospitality industry

Unit 6: Running a hospitality business



## Hospitality

### Level 3 Unit 5: Finance and budgetary control for the hospitality industry

### Level 3 Unit 6: Running a hospitality business

#### Sample scheme of work

This is an example of a possible scheme of work. You can use it as it is, adjust it or extract content to create a scheme of work to suit your delivery needs. It can also be adjusted by adding theory workshops to support learners who have/need additional learning time.

These units are assessed through a centre set and marked assessment.

<b>Total GLH</b>	30 (Level 3 Unit 5) 90 (Level 3 Unit 6)
<b>Delivery model</b>	Based on teaching 25 sessions of 3 hours per week and two weeks of 10 sessions at 4.5 hours each
<b>Aim</b>	To identify the financial processes and procedures for setting up and running a hospitality business. Learners will be able to: <ul style="list-style-type: none"> <li>• explain how to set up, finance and promote a hospitality business</li> <li>• summarise the roles of personnel and the pressures involved</li> <li>• explain costs and accurately demonstrate how they affect profit and income</li> <li>• construct and calculate a range of financial information</li> <li>• use financial information to inform decision making.</li> </ul>
<b>Notes</b>	Under FS (functional skills):  * indicates opportunities for assessment in English of speaking and listening and/or written communication

Week	Topic	Activities, assignments, assessments, resources	LO and AC	PLTS	FS	GLH	Other comments
1	Introduction to topic – entrepreneurship	In groups, learners should identify the qualities needed for successful entrepreneurship.  What is an entrepreneur? What makes an entrepreneur? Names of well-known entrepreneurs?	Unit 6, LO1a		*	3	
2	Introduction to types of business – brief outline of sole trader, partnership, private limited company, public limited company – franchise	Learners should research the different types of business that can exist. Possibly contact local business owners/employers or access the Companies House website ( <a href="http://www.companieshouse.gov.uk/index.shtml">www.companieshouse.gov.uk/index.shtml</a> ).	Unit 6, LO1b	SM4	*	3	
3	Identification of business opportunities and issues relating to types of business. Analysis and risks to anticipate and manage for each type of business	This session is the start of an ongoing individual/pairs exercise to monitor/track the value of shares and foreign currency.	Unit 6, LO1b	SM4	*	3	
4	Raising business finance	Ask learners to research how to raise business finance, eg bank loans. They can use leaflets and brochures from banks and also look at interest rates.	Unit 6, LO1c		*	3	

Week	Topic	Activities, assignments, assessments, resources	LO and AC	PLTS	FS	GLH	Other comments
5	Promote a business through the internet  Review of how to start and promote a business	Learners should research hospitality franchises. (British Franchise Association <a href="http://www.thebfa.org/">www.thebfa.org/</a> )  Divide learners into small groups, where questions are posed and discussed in order to extend and broaden thinking about the topic.	Unit 6, LO1a–d		*	3	Links to Unit 7, LO1a: explain the importance of sales and marketing in hospitality.  Links to Unit 7, LO2c: describe the advantages and disadvantages of online/e-marketing in the hospitality industry.
6	Visit to hospitality establishment or employer presentation to focus on roles and responsibilities of running a business	Learners should prepare worksheets with questions to pose and situations that may need to be resolved.	Unit 6, LO2a, b		*		
7	Half-term						

Week	Topic	Activities, assignments, assessments, resources	LO and AC	PLTS	FS	GLH	Other comments
8	Roles and responsibilities of running and working in a hospitality business	<p>Review from different roles seen during the visit or following the employer presentation.</p> <p>Devise worksheets for learners to complete, including questions related to the roles and responsibilities of a range of jobs in different sub-industries.</p>	Unit 6, LO2a		*	3	<p>Links to Unit 3, LO1b: identify roles and responsibilities of a range of hospitality teams and team members.</p> <p>Links to Unit 3, LO1c: describe how hospitality teams work towards common goals co-operating with others to provide effective customer service.</p> <p>Links to Unit 4, LO1a: plan and carry out research into range of roles and the responsibilities of managers in the hospitality industry.</p> <p>Links to Unit 4, LO1b: identify further questions to answer and problems for managers to resolve.</p>

Week	Topic	Activities, assignments, assessments, resources	LO and AC	PLTS	FS	GLH	Other comments
9	Demands and pressures of working in hospitality	In small groups, learners to identify the pressures of working in hospitality, eg stress, work/life balance, time management, competing pressures. Each group to present their results to the rest of the class.	Unit 6, LO2b	SM5	*	3	<p>Links to Unit 3, LO2a: identify issues, events, problems and different perspectives where conflict can arise within hospitality teams.</p> <p>Links to Unit 3, LO2b: explain how conflict within hospitality teams can be resolved.</p> <p>Links to Unit 3, LO2c: explain the need to understand their own and others' assumptions and views.</p>
10	Demands and pressures of working in hospitality – complying with legislation, delegation	Learners to research into changing laws and stay up-to-date with any changes.  Learners should also look at the effects on people of changing legislation and the effects of taxation on a business.	Unit 6, LO2b	SM5	*	3	Links to Unit 3, LO2a, LO2b and LO2c.
11	What is gross and net profit? How are they calculated?	Working in small groups and by use of worksheets and/or a practical activity, learners must define the difference between gross and net profit. Follow with a group discussion to ensure everyone understands how profit is calculated.	Unit 6, LO3a		*	3	

Week	Topic	Activities, assignments, assessments, resources	LO and AC	PLTS	FS	GLH	Other comments
12	Use of the appropriate terminology relating to financial and management information  Introduction to different types of costs	Working in small groups, learners to discuss the different types of costs, ie fixed, variable and marginal.  A practical activity could include a list of costs that learners can place under the correct heading on a flip chart. Follow with a group discussion.  Ensure correct terminology is used.	Unit 5, LO3b  Unit 6, LO3a		*	3	
13	Holidays						
14							
15	Calculation of volume and sales mix and assessment of the value of planning and control to the success of hospitality establishments	Learners to carry out a practical activity from given information or a short case study to illustrate planning and control mechanisms and their impact on planning.	Unit 5, LO1b  Unit 6, LO3b		*	3	
16	What constitutes income and expenditure?	Devise a worksheet and/or practical activity to help learners understand what constitutes income and expenditure, eg food costs, room revenue, salaries and wages, utilities.	Unit 6, LO3b		*	3	Links to Unit 8, LO3c: calculate the costs and profitability of the range of menus.

Week	Topic	Activities, assignments, assessments, resources	LO and AC	PLTS	FS	GLH	Other comments
17	Cash and credit sales and their importance in understanding cash flow and cash flow forecasts. The importance of planning and control in cash flow and other financial situations	Provide learners with handouts to identify cash sales, delayed payment and delayed credit.  Worksheets can be used to show control systems in use and planning for cash flow.	Unit 5, LO1b  Unit 5, LO3a		*	3	
18	The accounting equation. Assets and liabilities. Constructing a balance sheet.	Use a combination of worksheets and practical exercises to demonstrate the topic.	Unit 6, LO4a		*	3	
19	Constructing a profit and loss account and calculating gross and net profit	Use a combination of worksheets and practical exercises to demonstrate the topic.	Unit 6, LO4a		*	3	
20	Half-term						
21	Constructing and calculating a cash flow forecast, which includes knowing and performing basic tax calculations	Learners must conduct a simple cash flow exercise based on their own experiences, eg saving up to buy something.  Discuss the impact of (eg) VAT on holidays.	Unit 5, LO2a, b  Unit 6, LO4a		*	3	

Week	Topic	Activities, assignments, assessments, resources	LO and AC	PLTS	FS	GLH	Other comments
22	<p>What is break even and how is it calculated?</p> <p>The control element and terminology used when preparing a break-even document. How can it be used to adapt ideas, as circumstances change?</p>	<p>Devise worksheets and a practical activity using formulae and graphs to help learners understand the topic.</p> <p>Learners will identify a product or service of their choice and calculate break-even points. They must then show the impact of changes.</p>	<p>Unit 5, LO3a</p> <p>Unit 6, LO4b</p>	CT6	*	3	
23	<p>What makes a business plan?</p>	<p>Learners to determine what constitutes a business plan by researching on the internet and using bank brochures, eg start-up guides.</p>	<p>Unit 6, LO4c</p>	EP2	*	3	
24	<p>Developing and presenting a business plan</p>	<p>Provide worksheets, handouts, and a sample business plan from industry to illustrate changes to business plans.</p> <p>Learners should then develop their own plan and prepare the dialogue using reasoned arguments and evidence to influence actions.</p>	<p>Unit 5, LO4a</p> <p>Unit 6, LO4c</p>		*	3	<p>Links to Unit 7, LO4b: generate ideas and explore marketing options for specific business purposes.</p> <p>Links to Unit 7, LO4e: use reasoned arguments to support conclusions and recommendations in marketing plans.</p>
25	<p>Presenting a business plan to an audience, recommending business decisions with evidence and using reasoned arguments</p>	<p>Learners should make a video or electronic presentation of their business plan to employers and peer group audience. There should be dialogue to accompany the plan, illustrating the reasons for taking decisions.</p>	<p>Unit 5, LO4a</p> <p>Unit 6, LO4c</p>	<p>IE6</p> <p>EP2</p>	*	3	

Week	Topic	Activities, assignments, assessments, resources	LO and AC	PLTS	FS	GLH	Other comments
26	Reviewing presentations of business plans	Peer assessments. Learners should evaluate and feedback to others in the group on how to improve business plans and inform future progress.	Unit 6, LO4d	RL5	*	3	Links to Unit 7, LO4d: adapt marketing plans and ideas as circumstances change.
27	Holidays						
28							
29	Introduction to budgetary planning. Explain different methods of budgetary planning and control in hospitality related situations.	Working in small groups, ask learners to compile lists of the different methods of budgetary planning and control.  Once lists have been compiled, carry out a group discussion to ensure everyone fully understands the methods. Discuss how planning ahead will influence costs.	Unit 5, LO3a		*	3	
30	Use of the appropriate terminology relating to financial and management information. Budgetary control systems using appropriate terminology throughout. Explain the importance of planning and control when managing a budget	Working in small groups, ask learners to compile lists of the different costs that are necessary for hospitality establishments.  Once lists have been compiled, carry out a group discussion to make sure everything has been covered.  Extend discussion to include importance of planning and budgets to the success of an establishment. Ensure correct terminology is used.	Unit 5, LO1a, b  Unit 5, LO3a, b		*	3	
31	Assess the value of planning and control to the success of hospitality establishments	Get learners to participate in a practical activity to determine the value of planning and control in hospitality. Provide information or a short case study from which they can work.	Unit 5, LO1b		*	3	

Week	Topic	Activities, assignments, assessments, resources	LO and AC	PLTS	FS	GLH	Other comments
32	Half-term						
33	Operational activity – plan, develop, launch and operate a small business	An example of an activity could be the formation of a company to make and sell ice cream. The first week would include allocation of roles within teams, budget planning and control, forecasting, marketing and preparation for practical production.	Unit 5, LO1, 3 Unit 6, LO1–3		*	4.5 per day for whole week	
34	Operational activity – operate, calculate, evaluate and review, analysing the success of the operation	Week two would include making and selling the product, calculation of actual in comparison to budgeted costs, impact of tax on profit, analysis and evaluation of variance to inform progress and future changes.	Unit 5, LO2, 4 Unit 6, LO1,3, 4			4.5 per day for whole week	
35	Moderation						
36	End of term						