

Subject Content	What students need to learn?
1.1.1 The dynamic nature of business	<p>Why new business ideas come about:</p> <ul style="list-style-type: none"> ● changes in technology ● changes in what consumers want ● products and services becoming obsolete. <p>How new business ideas come about:</p> <ul style="list-style-type: none"> ● original ideas ● adapting existing products/services/ideas.

Why do new business ideas come about?

1. Changes in consumer demand

New business ideas come about because of changes in what consumers demand. For example, Activia yoghurts have recently experienced a decrease in demand. This may be because of consumer taste e.g. they now prefer Greek-style yoghurt.

Why do new business ideas come about?

2. Changes in technology

New technology is a cause of new business ideas. 3G was launched in 2004 but no mobile phone devices could use it. Apple developed the iPhone in 2007. This was the first mobile phone that could use the 3G technology.

Why do new business ideas come about?

3. Products and services becoming obsolete

A product or service is obsolete if no one wants it any longer. There is no longer great demand for chimney sweeps, as few people have an open fire. As people change their behaviour some businesses become irrelevant.

Key Definitions:

Enterprise

Business Enterprise involves starting something of your own. It is usually a business but it might also be a charity or sports club.

Entrepreneurship

An entrepreneur is willing to put his or her career and financial security on the line and take risks in the name of an idea, spending time as well as capital on an uncertain venture.

How do new business ideas come about?

1. Original Ideas

These are ideas that have not been done before. For example the launch of the iPhone in 2007 which was 3G enabled. This allows a business to gain a competitive advantage over their rivals.

2. Adapting existing products/services

Developing new products based on the original one such as Wall's white chocolate magnum.

