

**Topic 2.1.2 Changing business aims and objectives**

**Core Knowledge**

A business has to continually change and evolve over time. Therefore, what it is attempting to achieve will also change. Aims change because of:

* Changing **market conditions** – an increase or decrease in the number of competitors
* Changing **technology** – the rise of e-commerce led to businesses introducing online sales; click and collect, self-service tills
* Changing **performance** – if a business is not making as much profit as before, it will need to change its aims
* Changing **legislation** – new laws can affect costs and so a business may need to change aims
* **Internal** reasons – an arrival of a new CEO can affect the direction of the business

How aims change:

* Focus on survival or growth
* Entering or exiting markets
* Growing or reducing a workforce
* Increasing or decreasing a product range

**Don’t be a “man on the street”**

* Remember that businesses have to continually adapt and change
in order to be successful
* Remember that reducing the workforce by making staff redundant will have a large short-term cost

**Synoptic Links**

**Dynamic nature of business –** business has to continually evolve

**Aims and Objectives** – the difference between the two, examples and how they might be suitable

**External influences** – the factors outside a business’s control that can influence their actions

**Wider Business World**

**Tesco** – changed focus back to food after rise of Lidl and Aldi

**Iceland** – increasing non-food range to be more competitive

**Kodak** – an example of company that did not keep up with technology and left the camera market

**BUSINESS**: ***Creating informed, discerning employees, consumers and future leaders***

**Key Vocabulary**

**Aim** – something the business is trying to achieve

**Objective** – a more specific breakdown of an aim

**Survival** – generating enough revenue to cover costs and therefore continue to trade

**Workforce** – the number of employees a business has

**Product range** – the variety and number of products a business sells

**Entering markets** – when a business decides to open up in a market it hasn’t been in before, e.g. If McVities starting making crisps

**Exiting markets** – choosing to leave a market, e.g. when Tesco sold all their optical stores