

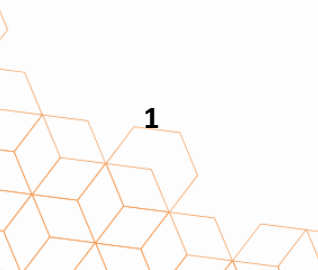


Chapter 8

Business

Planning

Questions

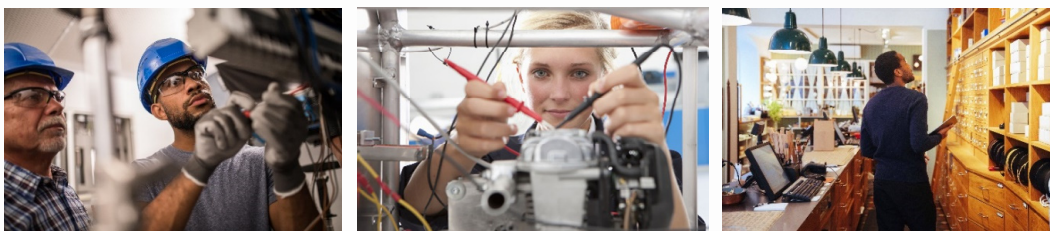


8.1 Appreciate the importance of having a business plan and outline the key functions of a business plan.

OL Paper 2 Q1 (c)

PJ Maher, an electrical contractor, employs six qualified electricians. He has recently expanded his business model. He saw an opportunity to source his own electrical materials for a better price and to also act as a wholesaler to other electricians around the area. This additional business complements his existing electrical contracting business.

PJ has built a state-of-the-art showroom and warehouse on his premises with an impressive display of light fittings and other materials. He is happy for electricians to bring potential customers to the showroom so that they can view the range of products.



PJ has a strong credit-rating, and after much thought, decided to fund this expansion using a combination of retained earnings and a long-term loan. He created a Business Plan that not only helped him secure loan approval but also enabled him to identify potential business challenges. He later used this plan to apply for the Feasibility Study Grant from his Local Enterprise Office but was disappointed to learn that his business did not meet the criteria. However, this setback did not deter him.

PJ decided to lease a van for deliveries. One of his employees, Wojciech, had recently requested to reduce his physical workload and working hours for health reasons. After considering this request, PJ proposed that Wojciech take on the role of driving the van and handling morning deliveries. Wojciech was satisfied with the suggestion and is happy in his new position.

PJ is pleased that the business is currently doing well and reaching all targets on schedule.

(c) Explain how PJ's business plan contributed to his success so far.

8.2 Outline the importance of ethics and sustainability when planning in business.

OL Paper 2 Q3 (d)

- (d) The British rock band, Coldplay, has taken several initiatives to reduce their direct carbon emissions.



The band introduced power bikes and kinetic dance floors so that concert goers could help to power the event and become part of a sustainability experience.

Outline **three** benefits to Coldplay of incorporating sustainability initiatives into their business planning.

1
2
3

8.7 Identify and compare a number of technology-driven business models and outline the key characteristics of each model.

HL Paper 1 Q2 (b)



Gráinne has decided that it’s time to build a permanent headquarters for Grá Chocolates.

Gráinne plans to build her own chocolate factory, using the Crowdfunding platform Kickstarter, to fund the expansion.

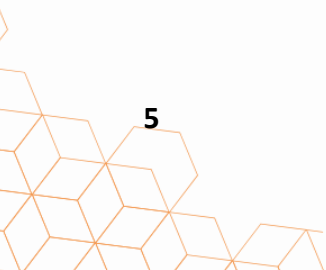
(b) (i) Explain the term Crowdfunding.

(ii) Explain **two** key characteristics of each of the following technology-driven business models:

Subscription Model
1
2



Advertising Model
1
2



(d)

Off the Ball move to subscription service

Long-time listeners of the popular Irish sports brand 'Off The Ball' have expressed strong reactions to the recent news that the show will now only be accessible behind a paywall.

It was recently announced that the group would be transitioning to a monthly subscription service for listeners. For €9.99 a month, subscribers will gain access to exclusive ad-free on-demand content across Off The Ball App, Spotify, YouTube, and Apple Podcasts.



Using any **two** of the headings below, compare a subscription service such as the one discussed above with another technology-driven business model you have studied.

- Revenue generation
- Consumer access and cost
- Scalability and growth
- User engagement and retention

1

2



OL Paper 1 Q2 (d)

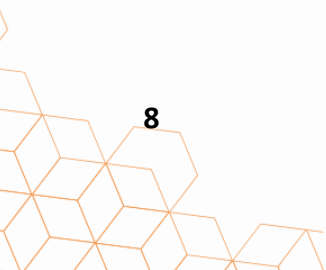
- (d) (i) Indicate by means of a tick (✓) in the correct box the business model that best describes each of the online businesses listed below.

Business	Marketplace	Subscription	Crowdfunding
			
			
			

- (ii) Describe any **one** of the following business models

- Marketplace
- Subscription
- Crowdfunding

Business Model:
Description:



Chapter 8

Business

Planning

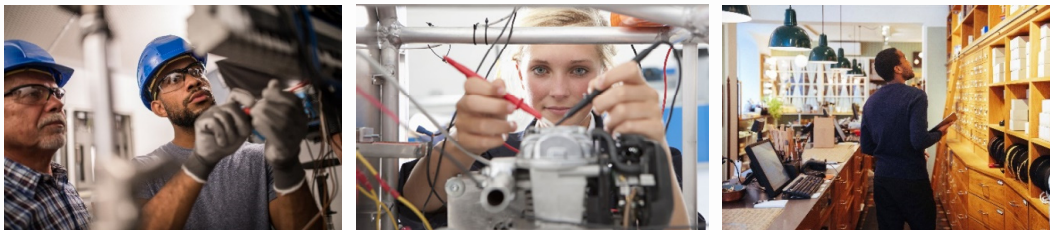
Solutions

8.1 Appreciate the importance of having a business plan and outline the key functions of a business plan.

OL Paper 2 Q1 (c)

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(c) Explain how PJ's business plan contributed to his success so far.

Helps attract investment

It provides potential investors or lenders with the evidence they need to judge whether the business is viable and worth backing. E.g. the Financial Plan outlines projected revenue, costs, cash flow, and profits.

PJ created a business plan that "helped him secure loan approval".

Helps identify potential risks and challenges

A business plan can help recognise obstacles such as competition, production limits, financial risks, or staffing issues, and outlines how they can be overcome.

PJ was able to identify potential business challenges his business faces.

8.2 Outline the importance of ethics and sustainability when planning in business.

OL Paper 2 Q3 (d)

- (d) The British rock band, Coldplay, has taken several initiatives to reduce their direct carbon emissions.



The band introduced power bikes and kinetic dance floors so that concert goers could help to power the event and become part of a sustainability experience.

Outline **three** benefits to Coldplay of incorporating sustainability initiatives into their business planning.

1. Improves brand reputation

Planning for ethics and sustainability is important because it builds trust and makes a brand look good to its customers.

Coldplay improves its eco-friendly image and makes fans trust them more by using power bikes to be environmentally friendly.

2. Attracts investment

Brands that are focussed on sustainability can attract sponsors and investors that look like they'll be sustainable investments or partnerships for the future.

Coldplay may attract eco-conscious sponsors by showing a clear commitment to being sustainable.

3. Ensures legal and regulatory compliance

It helps a business avoid breaking laws or getting charges or fines for environmental damage.

By reducing emissions, Coldplay reduce the risk of any fines for not being compliant to any new environmental rules.

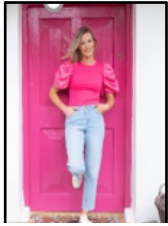
4. Supports long-term profitability

Sustainability is important because it helps a business prepare for future challenges, like resources becoming more expensive.

Coldplay saves money and become more sustainable by choosing to reuse stage materials.

8.7 Identify and compare a number of technology-driven business models and outline the key characteristics of each model.

HL Paper 1 Q2 (b)



Gráinne has decided that it's time to build a permanent headquarters for Grá Chocolates.

Gráinne plans to build her own chocolate factory, using the Crowdfunding platform Kickstarter, to fund the expansion.

(b) (i) Explain the term Crowdfunding.

Crowdfunding is when a business raises small amounts of money from many people online, usually before the product or service is launched.

It often involves backers contributing in exchange for rewards, early access or simply to support an idea.

(ii) Explain **two** key characteristics of each of the following technology-driven business models:

Subscription

1. Regular Payments from Users

These businesses charge customers monthly or annually for continued access to content or features, making their income more reliable and locking consumers into repeat purchases rather than one-off transactions.

E.g. Spotify and Strava offer both monthly and annual subscription options to maintain steady revenue from users.

2. Content Personalisation Keeps Users Hooked

They use personalised content such as playlists, recommendations, or exclusive features to keep users engaged and reduce the chance of cancellation.

E.g. Netflix suggests shows based on your viewing habits, encouraging you to keep watching and subscribing.

Advertising

1. Revenue Comes from Advertisers, Not Users

These platforms are usually free for users, but they generate income by charging advertisers to show ads based on user views, clicks, or time spent.

E.g. YouTube earns ad revenue when viewers watch content, even without paying for the platform themselves.

2. Easy Access Drives Growth and Interaction

These platforms are designed to be easy to use and share, they suggest popular or personalised content, make posting simple for creators, and encourage users to stay longer and interact more.

E.g. TikTok's layout makes it easy to scroll, like, share, and post videos, which helps grow both the user base and advertising reach.

(d)

Off the Ball move to subscription service

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Using any **two** of the headings below, compare a subscription service such as the one discussed above with another technology-driven business model you have studied.

- Revenue generation
- Consumer access and cost
- Scalability and growth
- User engagement and retention

Revenue Generation

Subscription: Earns money through recurring monthly or annual payments from users.

Eg Spotify Premium charges users for ad-free music and extra features.

Advertising-Supported: Earns money from businesses that pay to show ads based on user activity on their platform.

Eg YouTube makes revenue from business that pay to advertise on it when users watch or click on ads during videos.

Consumer Access and Cost

Subscription: Usually not free, users pay to access full features or content. Most offer a limited, freemium or trial version to access some content.

Eg Netflix charges for access to its full content library after a free trial period.

Advertising-Supported: Free to use for most users, with revenue coming from advertisers instead.

Eg TikTok is free, and users see ads while using the app.

Scalability and Growth

Subscription: Highly scalable globally, especially for digital services where more users don't add much cost.

Eg Spotify can serve millions of users globally through one platform.

Advertising-Supported: Also extremely scalable, content and users increase reach without big added costs, so scale can be huge if they can increase users.

Eg YouTube grows as more creators and users join, expanding ad revenue opportunities.

User Engagement and Retention

Subscription: Keeps users engaged through personalised content and exclusive access, encouraging continued payments, and also for offering annual contracts for cheaper prices.

Eg Netflix recommends shows based on what users like to keep them subscribed.

Advertising-Supported: Uses algorithms to keep users scrolling or watching for longer, increasing ad exposure.

Eg TikTok shows personalised videos to keep people using the app more often.

Sample Papers - Workpack

OL Paper 1 Q2 (d)

- (d) (i) Indicate by means of a tick (✓) in the correct box the business model that best describes each of the online businesses listed below.

Business	Marketplace	Subscription	Crowdfunding
	✓		
			✓
		✓	

(ii) Describe any **one** of the following business models

- Marketplace
- Subscription
- Crowdfunding

Describe	Give a detailed account of the main points of a topic using words, diagrams, examples and/or images where appropriate
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Marketplace

A marketplace connects buyers and sellers on a digital platform, usually without holding inventory itself.

Revenue is typically earned through commission on sales, listing fees or premium seller services. Marketplaces can scale quickly by adding new users or sellers without major infrastructure costs. *Eg Vinted allows people to buy and sell second hand goods, earning a fee per sale or to promote wardrobes.*

Subscription

A subscription model charges users a recurring fee for continued access to content, tools or services.

This creates predictable revenue and encourages loyalty through personalisation and regular updates.

It's highly scalable as digital services can grow without large extra costs.

Eg Spotify charges a monthly fee for ad-free music and features like offline listening.

Crowdfunding

Crowdfunding involves raising small amounts of money from many people, often online before launch.

Backers may get rewards like early access, exclusive products or behind-the-scenes updates.

It helps start-ups test ideas and build a customer base with minimal upfront cost.

Eg Grainne Mullins used Kickstarter to pitch her expansion idea and raise funds from the public for Gras chocolates.

*Alternative Crowdfunding Answer

Businesses operate an online marketplace that connects entrepreneurs seeking finance with individuals willing to fund new ideas.

Businesses can upload and promote their business idea, set a funding target, and invite backers to pledge small amounts of money, usually in return for rewards or the product rather than ownership.

If the funding target is reached, the platform like Kickstarter or GoFundMe processes the payments and earns revenue by charging a percentage fee on the total funds raised.