

BE THE "e"



# Entrepreneurship

## ACTIVITY GUIDE

for Middle and High School Youth



**Love it!**

**Plan it!**



**Do it!**

Name \_\_\_\_\_

County \_\_\_\_\_



REVIEWED & RECOMMENDED  
National 4-H Curriculum



# Acknowledgments

## 2004 4-H Entrepreneurship Design Team and Contributing Authors

**Doug Hovatter**, M.A., Coordinator, Assistant Professor, West Virginia University Extension Service

**Allan T. Smith**, Ph.D., Liaison, National 4-H Program Leader, National 4-H Headquarters, CSREES USDA

**Ann A. Berry**, Ph.D., M.B.A., Assistant Professor, Family Resource Management, Louisiana State University Ag Center Cooperative Extension Service

**Karen Biers**, Ph.D., Entrepreneurship/ Homebased Business Extension Specialist, Utah State University Extension

**Amy Brenengen**, M.A., WomenVenture, Minnesota

**Manami Brown**, M.E.D., 4-H Youth Development Agent, University of Maryland Cooperative Extension

**Thomas Fladd**, 4-H Program Intern, University of Florida

**Heather Gillich**, 4-H Member, West Virginia

**Janet E. Harper**, M.B.A., 4-H Agent II/Program Leader, Pinellas County, University of Florida Extension

**Paul Hovatter**, M.A., 4-H Leader and Teacher, West Virginia

**Bridgette Howard**, 4-H Member, Maryland

**Laura LaPole**, M.A., 4-H Leader and Teacher, West Virginia

**Gary Larrowe**, Extension Specialist, Educational Resource Development, Virginia Cooperative Extension/VA Tech

**Carol Majors**, M.I., Entrepreneurship Education Consultant, Missouri

**Glenn Muske**, Ph.D., OCES Home Based and Micro Business Specialist, Oklahoma State University

**Patricia A. Hendricks**, Ph. D., Writer/Editor, Nebraska

**Northern Design Group**, Graphic Design, Minnesota

**Amy Hardee**, M.A., Photographs, South Carolina

## Supporters and Donors

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Specialty Cheese



Love it!  
Plan it!  
Do it!

This 4-H project is dedicated to  
the memory of Hope Smith, 1939-2004,  
wife of Allan T. Smith, Ph.D., Liaison for  
BE THE **e**, 4-H Program Leader.





## Welcome

This Activity Guide includes the **BE THE e** series of three levels of entrepreneurial activities for youth that includes *Love it!*, *Plan it!*, and *Do it!*. The three guides have been designed for youth of middle and high school age, and may be used by young people in any grade based on their entrepreneurial project skills, experience and interest.



Other book  
in this series.

Entrepreneurship  
Helper's Guide  
BU-08036

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# Notes to the Project Helper

Thank you!

**T**hank you for volunteering your time and talents to assist one or more young people with this project. This activity guide will introduce them to the exciting world of Entrepreneurship. Your involvement will make a real difference in the quality of their experiences. You will play a valuable role in helping them learn the subject matter and practice the important life skills along the way. Your interest, enthusiasm and, most importantly your time, will be key ingredients to positive and successful experiences. With your guidance and support, youth will set goals and challenge themselves to work through the activities in this guide. You will help nurture entrepreneurial leadership that will build a stronger economic future for our nation and the world.



## Entrepreneurship Helper's Guide

The Entrepreneurship Group Activity Helper's Guide provides additional learn-by-doing activities you can use with 4-H Entrepreneurship project groups, clubs, or other groups. You'll also find helpful hints about characteristics of youth, life skill development, teaching experientially, project meeting ideas, and resources for organizing a community 4-H Entrepreneurship program.



*Good luck in your role as Project Helper.*

# Notes to Youth

**W**elcome to the BE THE **e** world where you will learn how to become a successful entrepreneur. You have selected this 4-H project series because you are interested in learning about the world of business. The planners and writers of BE THE **e** are thrilled that you have decided to join us on this exciting journey. By completing the activities, you will gain many of the necessary skills you will use as you put your ideas to work in business.

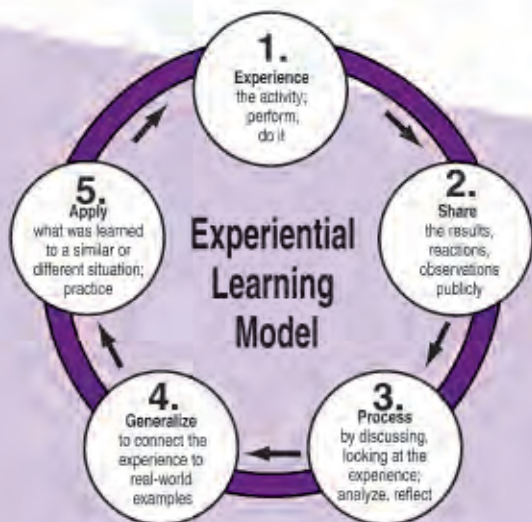
At the top of each activity you will find "What's in it For Me?" that tells you what you can expect to learn. It also lists the entrepreneurial skill and life skill you will practice. The National Educational Standards show how the activity coordinates with what you learn at school. Your helper will support you and make learning more fun.

The Targeting Life Skills Model is designed to show how the life skills you learn through 4-H fit together to form the meaning of the Head, Heart, Hands, and Health learning you will experience. The life skills you will practice in the BE THE **e** activities are those that strengthen your abilities to be successful in business.

## Targeting Life Skills







Pfeiffer, J.W., & Jones, J.E., "Reference Guide to Handbooks and Annuals" © 1983 John Wiley & Sons, Inc. Reprinted with permission of John Wiley & Sons, Inc.

## Experiential Learning Model

The five-step Experiential Learning Model endorsed by 4-H is used in each activity. First, attempt to complete the activity independently. Do as much as you can. Think about the questions and discuss them with your helper.

- What did you do?
- What was important about what you did?
- How does what you did relate to your real life?
- How can you use the life and entrepreneurial skills that you practiced now and in the future?

The more you think about the questions and use them to clarify and expand your ideas, the more valuable your learning experiences will be.

You will have assistance from your adult Project Helper. It is possible for you to complete the activities alone but it will be more fun, and you will learn more, by being part of a group of youth working together with an adult to complete the activities.

Later, you will be asked to complete an evaluation to determine how much you learned from each activity.

### BE THE *e* Journaling

You may benefit from keeping a journal or portfolio throughout BE THE *e*. This can be a record of your business ideas, potential customers, product ideas, notes about successful entrepreneurs, or whatever you think will be useful to you now and in the future. It may include your responses to selected questions as indicated in the EXPRESSIONS section, and in MORE *e* challenges. You may write down words to learn. Look up and add their definitions. At some times in your life ideas may come very easily. Write them down. There are times in your life when you may want ideas. You can use the ones you have saved. You will benefit from "tracking your *e* journey," by creating some type of record of your thoughts. This is another way to practice record keeping, one of the most important disciplines for business owners.

## What's it all about?

*It's knowing who you are!*  
*It's about...*  
*making connections,*  
*doing the work,*  
*having fun,*  
*passion!*

It has happened to you before. You are in the middle of something you love – reading a book, working on your car, building a model, training your dog, stringing beads for jewelry ... and the time just flies! Where have the hours gone? Why has time gone so quickly? It is because you are happy doing something you LOVE to do.

Everyone has a passion within themselves to succeed and accomplish amazing things in life. The trick is finding the things that make you tick ... that put you in "the zone" ... the things you love ... the things that make time fly.

Entrepreneurs don't settle for things as they are. They look for ways to make them better. They don't wait for things to happen. They make things happen. When they can't find the answer to a problem, they create the answer. They see opportunity and TAKE it. They see a problem and FIX it.

In BE THE *e* you will learn a lot about what it takes to be a successful entrepreneur. You will learn a lot about yourself. You will learn a lot about how you can get help. You will learn a lot about the steps you need to take to start your own business.

But here is the catch. There is something needed to start a business that's NOT in this book. In fact, you can't learn it, and no one can give it to you. It lives INSIDE of you. You are the only one who knows what it is and where it is.

### It is your *Passion*

At every step in your entrepreneurial journey, you are going to need passion. You have to love your idea, your business, and your plan. It is passion that will make the hours whiz by, the frustrating times less stressful, and the success you have all the more wonderful. Passion will keep you going when everything and everyone else gives up.



# We Did It! So Can You!

**Carley**, age 13, has always had ideas and been creative. She became interested in candle making and learned the methods and skills of creating scented candles. She found her market niche, and hit the business road to success on the first Mother's Day after she began. She sold her entire inventory. Since then Carley has hired Mom and two others to help with her thriving business.

**Tyler**, age 12, always enjoys pets, especially dogs. Whenever he and his family wanted to go on vacation, or even away just for the day, they had problems finding a place to leave their family dog. Tyler realized an opportunity that others had overlooked. He opened his pet-sitting service that provides care for dogs for one day or up to a week. He has expanded his business several times, hiring others to help him, to meet the need for pet daycare in his community.

**Austin**, age 12, was with his dad at a woodworking store when he discovered the idea of making wooden ink pens and selling them as his business. After researching his idea and borrowing some tools, Austin learned how to do wood turning on a lathe. He started selling his product at a local restaurant. He has expanded his products to include wooden yo-yos, wine bottle stoppers, and key chains, all made from exotic woods. He has sold his pieces of art to people in more than 15 states and three other countries. He also maintains his own website, KidMade.com.

**Nathan**, age 14, decided to take a 4-H Crop Project and raise hay in a plot in his back yard. Staking out a 10' by 20' area, he turned his idea for hay production into real dollars. After completing a soil test and learning which fertilizer and seeds to use, Nathan was on his way. How could he grow enough bales of hay on such a small space? He made a lot of very small bales of hay and sold them to folks who had rabbits, gerbils, and hamsters.

**Olivia**, age 15, has loved rabbits from an early age. When she started raising Angoras she recognized a business opportunity for their fur. Learning to collect their fur, preparing the fur for spinning, and learning to spin, Olivia has hired her Mom and five other folks to turn the fur into wonderful gloves, scarves, sweaters, and hats. She is now on the Web and just recently bought Alpacas to expand her weaving business.

What do all these young people have in common? They recognized an opportunity, some through their 4-H Projects, and others through things they were interested in such as pets or handicrafts, to meet a market need. These young people are just like you—young people with ideas they turned into business opportunities.

BE THE **e** is written in such a way that by working with an adult Project Helper, with other youth, or by yourself, you will learn the skills, characteristics, and how to turn your idea into a possible business. The added value is you will learn to look at the world in a different way, you will begin to think outside of the box, and learn how to evaluate an opportunity.

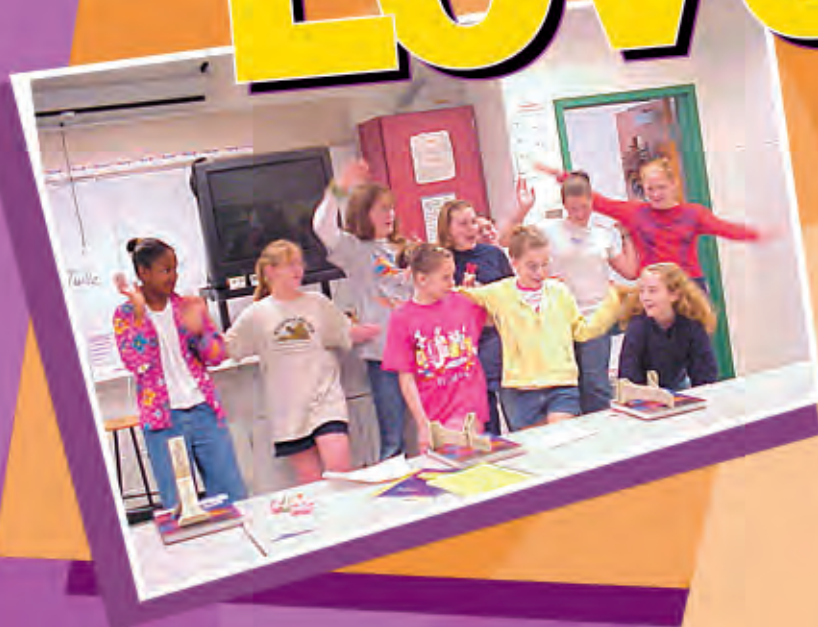
Entrepreneurs create 44% of all new businesses. Small business, not large corporations, are the driving engine that will expand America's world-wide market in the 21st Century.

**Go ahead—  
you can  
do it!**



BE THE "e"  
**e**ntrepreneurship

# Love *it!*



Exploring  
Entrepreneurship

**LEVEL**

**1**





## Contents

Level 1

# Love it!

**Welcome** to the first level of **BE THE e**, a guide for exploring whether entrepreneurship is for you. Identify your talents and interests, and define your vision for starting a business of your own. Whether you feel the passion for marketing an idea, or decide that it isn't for you, you will learn many useful things about the wide world of business.

Level 1, **Love It!**, contains a variety of experiential activities focused on the meaning of becoming an entrepreneur. Read the information provided and work through each activity. Share with your group or helper what you have learned and discuss the questions together. Help design your learning experience by defining what you want to know, setting your personal goals, and focusing extra challenges to answer the questions you have.

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**Level 1 Love it!**

## My Entrepreneur Project Goals

Name \_\_\_\_\_

What I want to do and learn in this project:

- 2.**

- 3.

You too can  
BE THE e—  
You'll Love it!



## Love it! Highlights

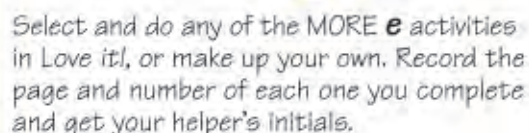
Date and list the most fun and interesting things you did in this project.







1. Do at least seven of the Love It! and MORE **e** Challenges activities each year.
2. Complete at least 21 of the Love It! and MORE **e** challenges activities within three years to complete this achievement program.
3. Have your project helper date and initial the activities as you complete and discuss them.



Describe your own activity here:

Date \_\_\_\_\_ Helper's Initials \_\_\_\_\_

Describe your own activity here:

Date \_\_\_\_\_ Helper's initials \_\_\_\_\_



# BE THE *e* Entrepreneurship

\_\_\_\_\_  
Name of Recipient

has completed all requirements of  
Level 1, *Love it!*  
in the BE THE *e* Entrepreneurship Series.

\_\_\_\_\_  
HELPER'S SIGNATURE

\_\_\_\_\_  
DATE



Place a picture of you  
and your Love it!  
project here.





# What is an <sup>e</sup>ntrepreneur?

You have selected *BE THE <sup>e</sup>* series of activities because you want to know more about starting your own business. An **entrepreneur** is one who assumes the **risks** of a business or enterprise. Entrepreneur is also used to describe someone who has an idea for a new **product** or **service**, or a way to improve how business has been done before. This can be the definition of **creativity**. Entrepreneurs are creative persons who have an idea they want to market. Do you know what an entrepreneur looks like? In this activity you'll have an opportunity to identify and describe an entrepreneur.

Explore what it means to be an entrepreneur.

## Entrepreneur Skill:

Recognizing what it takes to be an entrepreneur

## Life Skill:

Decision making: Gathering information

## Educational Standard(s):

Identify an entrepreneur and describe how the entrepreneur's decisions affect job opportunities.

## <sup>e</sup>ACTIVITY

Create a collage using photos from magazines of people you think look like entrepreneurs. Then cut and tape words or phrases on the photos that you think describe why this person is an entrepreneur.



Entrepreneurs...



## eXPERIENCE

- How easy was it to identify people who are entrepreneurs?
- What were some of the clues you looked for?

## eXPLORE

- Why is it important to know what an entrepreneur looks like?
- How do entrepreneurs dress and look that is different?

## eXTEND

- How will this activity help you in deciding how to look as an entrepreneur?
- What other ways might an entrepreneur look that you could not find in the magazine?

## eXPAND

- How do you think you would have to dress differently as an entrepreneur than what you wear every day now?
- Which picture in your collage looks most like how you would be as an entrepreneur?



Weighing the  
benefits;  
taking a risk.

## Entrepreneurs...

- are much more alert than most people to the problems people experience
- see problems as opportunities to develop creative solutions
- turn ideas for solutions into profitable business products
- meet unmet needs for services in an economical way
- create jobs for themselves ... and for others
- bring products and services to the marketplace for others to use and enjoy
- sometimes dream up things people don't know they need or want ... and figure out a way to create a demand for them. For example, Chiapets, Beanie Babies, Hula Hoops, and Frisbees.

## MORE e

Think of an outfit that you would wear as an entrepreneur, and even how you would wear your hair. How is this different or similar to your everyday appearance? Cut out a picture from a magazine, attach a photo, or draw a picture of how you see yourself as an entrepreneur.

## Words

- collage
- creativity
- entrepreneur
- product
- risks
- service



## Where<sup>e</sup> Does Stuff Come From?

Entrepreneurs ask a lot of questions because they are trying to do new things on their own. Their success is partly determined by the skills they develop in locating and analyzing information. They must be **curious**, bold and determined in hunting for answers to their questions. See what knowing the history of one product will tell you about who was responsible for the many changes made along the way.

**Investigate** how a favorite product is created.

**Entrepreneur Skill:**  
Tracing origins of a product

**Life Skill:**  
Learning to learn: Curiosity

**Educational Standard(s):**  
Understand the choices people make have both present and future consequences.

*Opportunities are all around us.*



### <sup>e</sup>ACTIVITY

Pick one of your favorite products and trace its history back to its beginnings. You may need to use several resources including the Internet, encyclopedia and books. On this page make a diagram, chart,

timeline or other visual representation that describes the entrepreneurial process used to develop this product. Several questions are included in e Facts to assist you.

The History of \_\_\_\_\_





## eXPERIENCE

- How did you choose a product to investigate?
- How did you determine what information you wanted to gather?
- Where did you locate the information you wanted?
- What was the most difficult part about locating the information?
- What was most interesting information you found?

## eXPLORE

- What kind of person was the entrepreneur?
- How did the historical/social situation create a need for the product?

## eXTEND

- What in the story you investigated reminded you of situations you face in your life?
- How are you like the entrepreneur that you studied? How are you different?
- How is the product/service you want to deliver like the entrepreneurial product that you studied? How is it different?

## eXPAND

- In what other situations might you use the investigative skills you practiced?
- What have you learned about the entrepreneurial process to apply to your situation?

## Activity Questions

- Who was the individual that invented or made the product **profitable**?
- What was the **historical/social situation** that created a need for this product?
- What difficulties did the inventor overcome?
- What were steps in the process that brought about success?
- What was the inventor searching for when she/he discovered it?
- What skills did the inventor have/develop during the course of creating the new product?
- What characteristics does the product have that makes it potentially attractive to consumers?

## MORE e

Interview a successful entrepreneur in your community to find out how his/her business came about. What personal characteristics were most important to success?



- curious • historical/social situation
- investigate • profitable



BE THE <sup>e</sup>

Do you have what it takes to be a successful entrepreneur? Successful entrepreneurs have certain **characteristics** in common. There are personal **traits** and experiences that improve an individual's probability of success. See what your strengths are by completing this activity.

<sup>e</sup>ACTIVITY

Determine your personal strengths as a potential business person by completing the self-**assessment** inventory. Identify characteristics you may need to develop further to become a successful entrepreneur.

Look at the list below. Read each characteristic and its definition. On a scale from NEVER to ALWAYS, rate the degree to which you believe you possess each characteristic by putting an X on the scale. Example:

N ————— S — X ————— A



Who said  
they  
wouldn't  
work?

Characteristic	Never	Sometimes	Always
<b>Adaptability</b> - the ability to cope with new situations and find creative solutions to problems.	N —————	S —————	A
<b>Competitiveness</b> - a willingness to compete with and test yourself against others.	N —————	S —————	A
<b>Confidence</b> - the belief that you can do what you set out to do.	N —————	S —————	A
<b>Drive</b> - the desire to work to accomplish goals.	N —————	S —————	A
<b>Honesty</b> - a commitment to be truthful and sincere in dealings with other people.	N —————	S —————	A
<b>Organization</b> - the ability to structure your life and keep tasks and information in order.	N —————	S —————	A
<b>Persuasiveness</b> - the knack for convincing people to see your point of view and to get them interested in your ideas.	N —————	S —————	A
<b>Discipline</b> - the ability to stay focused and adhere to a schedule and deadlines.	N —————	S —————	A
<b>Perseverance</b> - the refusal to quit; willingness to keep goals in sight and work toward them, despite obstacles.	N —————	S —————	A
<b>Risk-taking</b> - the courage to expose yourself to possible losses.	N —————	S —————	A
<b>Understanding</b> - an ability to listen to and empathize with other people.	N —————	S —————	A
<b>Vision</b> - the ability to see the end results of goals while working to achieve them.	N —————	S —————	A



## eXPERIENCE

- How difficult is it for you to assess your own strengths?
- What traits from the list do you believe you are strongest?
- What traits from the list would you like to improve?

## eXPLORE

- How do your strengths fit with your business idea?
- How can you improve the traits you want to improve?

## eXTEND

- In developing your idea, would you be working alone or with other people? Why would working with others involve other characteristics than working alone?

## eXPAND

- Who can you ask to help you determine your strengths?
- What else do you need to know about yourself as a business person?

## e = Passion!

Entrepreneurs aren't all alike. Most have some skills and characteristics in common, such as **passion** for what they do. In other ways they are quite different from each other. Some have been highly educated in business, while others have a natural flair for it, just like some people are "natural athletes." Some even seem to break every rule and take very unusual approaches, but still succeed.

## MORE e

Ask some friends and adults in your life what they consider as your strengths that would contribute to an entrepreneurial effort. Make notes and consider how they see you in the role of a business person. Do others see your strengths in the same way as you do? Share what you discover with your helper.



O would some Power the gift he give us  
To see ourselves as others see us,  
paraphrasing Robert Burns

Adapted by: National Foundation for Teaching Entrepreneurs (NFTE),  
Manami Brown, M.Ed., 4-H Youth Development Agent,  
University of Maryland Cooperative Extension



## Words

- assessment • characteristics
- limitations • passion • traits



Discover your need to be passionate and enthusiastic.

## Entrepreneur Skill:

Understanding that enthusiasm builds success

## Life Skill:

Character: Caring about what you do

## Educational Standard(s):

Participate as knowledgeable, reflective, creative, and critical members of a variety of communities.

# The in Passionate


What are you passionate about? A book entitled *Trump: The Art of the Deal*, published about Donald J. Trump, highly successful entrepreneur and real estate developer, provides insight into a basic characteristic of being an entrepreneur. In the book, Mr. Trump refers to being enthusiastic and **passionate**. To be truly successful you must have passion, a **love** for what you do and how you do it.

Passion is the heart and core of being an entrepreneur. It is the motivation to continue on, to make it happen, to overcome problems, and be successful. Successful entrepreneurs have learned what they are good at, and what they are not good at doing. What's important is to do a good job at what you know and are able to do, and to find other people who know things you don't to help you do the best job. In this activity you'll see what you get excited about, why you love it and begin to identify the skills you use when you are doing it. This activity will help you begin to make decisions about a choice of work based on what you are passionate about.


Take time to learn what you're good at, what you like to do.



## ACTIVITY

Think about your last job, volunteer opportunity or chore. List at least five things you enjoyed doing. Then place a heart  beside the ones you really loved to do. Next place a plus sign + before those items that you are really good at doing.

### What I Enjoy

Review the things you listed with both a heart  and a plus sign + by them. Why do you like these best?

What skills do you have that you use in doing these activities?



## eXPERIENCE

- Which do you have more of, things you like, or things you don't like to do? Why do you think that is?
- Looking at the items you identified that you love, why do you love them?

## eXPLORE

- What things that you love to do are you good at?
  - Which comes first—being good at something or loving to do it? Why do you think so?
- 
- 
- 

## eXTEND

- Why is it important to know what you like and dislike doing?
  - Why is it important to know what you are good at doing?
  - Why is it important to be enthusiastic about what you do?
- 
- 
- 

## eXPAND

- What jobs or careers seem to match what you love to do?
  - In what areas might you need more skill or help from other people?
  - In what type of entrepreneurial business does this indicate you might be successful?
- 
- 
- 

*"Enthusiasm makes  
the difference."*

Norman Vincent Peale



*"Surround yourself with  
people who are smarter  
than you."*

Ewing Kauffman



## Don't Give Up!

In the entrepreneurial world passion means that the entrepreneur has an intense enthusiasm and devotion to a cause, to a business venture. Passion indicates a commitment to making the business idea happen.

An entrepreneur needs **resiliency**, the ability to overcome problems and difficulties.

Thomas Edison failed over 5000 times before he figured out how to make the light bulb work!

## MORE e

1. Ask three adults
  - what do you do to make a living?
  - do you love what you are doing?
  - would you like to be doing something else and, if so, what would that be?
  - why aren't you doing something you love to do?
2. Draw a large T in the center of a piece of paper. Using the T-Chart, on one side list "Things I Like to Do." On the other side list "Things I Don't Like to Do." Discuss both lists with your helper.
3. What subjects in school will help you prepare for work in which you are interested? Are these subjects you like and do well?



# Turning Your Assets into Money

You have **talents, strengths, and resources**.

The keys to being a successful entrepreneur are

- the **ability** to identify your strengths
- know what you do well
- and how you can apply them to a business and to the community.

What talents do bring to an entrepreneurial activity and as a member of a team. This activity will help you identify your talents.

## eACTIVITY

Complete the Asset Inventory on page 28. The inventory has three sections. Read what follows to see what you need to do in each section.

### Section 1:

**Asset Inventory** – This section helps you identify your skills. Make a check mark next to each box that best describes your strengths whether you like it or not. Check all that apply. Example: "I am a very good cook but I don't always like to cook." After you complete Section 1 go on to Section 2.

### Section 2:

**Interest Inventory** – This section helps you identify your **interests**. Make a check mark next to each box that best describes the things you like to do whether you are good at them or not. Check all that apply. After you complete Section 2 go on to Section 3.

### Section 3:

**Business Inventory** – Review the responses that you checked in Sections 1 and 2. Think about possible business activities you may be interested in based on your responses. Complete Section 3. Make a check mark next to each box that best describes what resources you can contribute or have available to you. Complete the business inventory questions.

## WHAT'S IN IT FOR ME

Connect your **assets** to potential business and community opportunities.

### Entrepreneur Skill:

Exploring business and community applications

### Life Skill:

Self esteem: Understanding one's strengths, abilities and limitations

### Educational Standard(s):

Understand that:

- Division of labor occurs when the production of a good is broken down into numerous separate tasks, with different workers performing each task.
- Specialization and division of labor usually increase the productivity of workers.
- Greater specialization leads to increasing the interdependence among producers and consumers.

Discuss with your Helper or group your responses on the Asset Inventory Form. Circle three of your responses in section 1 and three responses in section 2 that you feel are especially strong traits and interests. Review all of section 3.

Practice connecting your skills and interests with identifying potential business ideas or community opportunities. List at least three business ideas or community projects that fit with your abilities.

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Take a few minutes to prepare a brief summary of your responses from sections 1, 2 and 3. Write below.

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• abilities • assets • interests • inventory • resources  
• strengths • talents



## eXPERIENCE

- How did you feel about identifying your interests, skills, and limitations?
- What surprised you about the resources you have to contribute to a business venture or to your community?
- Why is it difficult to accept your limitations?

## eXPLORE

- How did you connect your abilities to a potential business or community opportunity?
- How does knowing what you are good at give you more confidence in becoming an entrepreneur?
- How did it feel to go in front of the room and share your responses with your helper or the group?

## eXTEND

- How will your contributions to the community be of benefit to your business?
- How does knowing what you are good at help you be successful?

## eXPAND

- How will you get started making contributions to your community?
- With what person or community agency would you like to contribute?

## Creating a Team

Not many entrepreneurs are equally strong in each of the skills needed for success as an independent business person. Many assemble a team of people whose skills complement their own, so it is important to be able to create and support teamwork. Other entrepreneurs consult outside experts in strategic planning, bookkeeping, finance, contracts and legal matters, technology, and marketing. Most important is being able to share your vision for the enterprise with others who work with you.

## MORE e

1. List three situations when you might have to explain your resources to others in the community.
2. What would be possible next steps to developing your talents, skills, and interests? Share with your Helper how you will begin.

## Talent



A tool for  
listing the skills  
and resources  
**YOU** have  
that can help **US**  
succeed!



# Time<sup>e</sup> for Business

Operating a business takes a lot of time. You have to manage the time you have to accomplish what needs to be done. It is important to know whether you have enough time before starting a business of your own. You may have to juggle your other activities or give up some of them.

## WHAT'S IN IT FOR ME<sup>e</sup>

Recognize how **time management** is necessary when owning a business.

### Entrepreneur Skill:

Knowing what time is available

### Life Skill:

Managing resources: Making wise use of time

### Educational Standard(s):

Understand that as long as the **marginal benefit** of an activity exceeds the **marginal cost**, people are better off doing more of it. When the marginal cost exceeds the marginal benefit, they are better off doing less of it.

## eACTIVITY

Keep a record of all the things you do. Evaluate your schedule, to see how many hours you have to devote to your business.

1. Record a schedule of your activities for one week, including time spent and the activity done. Start from the time you wake up in the morning until the time you go to sleep. Don't leave anything out, including school, homework time/studying, sleep, TV time, eating, doing household chores, appointments, being with friends.
2. At the end of one week, group items into large blocks of time.

3. Record the total time spent doing each on the chart below. Be as accurate as possible.
4. Review with your helper how you spent your time.

Activity	Time Spent
Sleep	
School	
Homework	
TV/Movies	
Meals	
Chores	
Friends	
Pets/Animals	
Other	

Have a plan,  
then work  
the plan.





## eXPERIENCE

- What did you find that you spent most and least of your time doing?
- What surprised you about this experience?

## eXPLORE

- Why is it important to look at how you spend your time before starting a business?
- During the week you recorded, how much time would you have had to operate your business?

## eXTEND

- How much time are you willing to dedicate to a business?
- How much time do you need to operate the business you want?
- In what other areas of your life is it important to plan your time?

## eXPAND

- What changes to your time schedule and activities will you make to be able to start the business you want?

## Words

- marginal benefit
- marginal cost
- opportunity cost
- time management

## Time for Business?

Everything has an **opportunity cost**. The resources, including your time, that you choose to invest in your business can't also be used to do something else. You must make time for your business by spending less time doing other things. Since you choose to work on this activity, your actions indicate you believe it to be the best use of your time. The next best thing you could have done with this time is the opportunity cost.

## MORE e

1. Find someone who has a business similar to the one you want to start. Develop a list of important questions to ask this person related to the time it takes to start and operate a business. Interview the person and record the responses so you are able to review them.
2. Keep a pocket planner of your time for a month. Try to not only record your activities, but plan ahead how to make the best of the time you have to spend. Keep track of your appointments, activities, leisure time, work, however your time is spent. At the end of the month evaluate how your time was spent, how well you placed priorities, and how well you accomplished important tasks. Write a short summary of your evaluation.
3. Time management requires certain skills such as establishing a schedule, setting priorities, setting goals, planning/organizing, self discipline, and making decisions. This activity demonstrates how time is being spent, but these other skills are needed for time management. Based on your experience recording your time for a month, think how your time management skills can be improved. Discuss with your Helper how you plan to improve them.



# Social *e*xpertise

How good are your social skills? Social skills are abilities people use when interacting with one another. Especially in the business world, certain behaviors are acceptable and even expected.

**Competency** in the use of social skills, an investment in **social capital**, will boost entrepreneurial success.

Many people would like to become entrepreneurs but only a few are successful. Entrepreneurs who use appropriate social skills are usually more successful than those who do not because they must get along with co-workers, suppliers, financial supporters and customers. The effective use of social skills enables an entrepreneur to more easily present his or her idea to others to acquire **capital**, to convince partners or teammates of the idea's possible success, and/or to make a sale.

## *e*ACTIVITY

Complete the Social Competence Inventory self-evaluation on page 29 to help you determine the social skills you may need to develop to help you become a successful entrepreneur. Record here your three strongest social skills and those you need to practice.

## WHAT'S IN IT FOR ME *e*

Appreciate the importance of social skills in the business world.

### Entrepreneur Skill:

Understanding how social skills help the entrepreneur

### Life Skill:

Social skills: Relating to others

### Educational Standard(s):

Adjust the use of spoken, written, and visual language (e.g., conventions, style, vocabulary) to communicate effectively with a variety of audiences and for different purposes.

Wow—you got your point across.



My Strongest Social Skills

Social Skills I Need to Practice



Words

• capital • competency • social capital • social competence



## eXPERIENCE

- How do you feel about your level of ability to use social skills?
- Which social skills do you think are the most difficult to use?
- What person do you admire for his/her use of social skills? Why?

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## eXPLORE

- What social skills are most important to the entrepreneur?

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## eXTEND

- Describe some ways you use social skills during a typical day.
- How do social skills make your daily life run more smoothly?
- What happens when a person doesn't use appropriate social skills?

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## eXPAND

- How might you use your social skills as an entrepreneur?

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Learning to  
weather  
life's  
storms.



**Acknowledgements:** Source: Baron, R. A. & Markman, G. D. (2003). Beyond social capital: The role of entrepreneurs' social competence in their financial success. *Journal of Business Venturing*, 18, 41-60. Adapted by Glenn Muske, Ph.D., OCE's Home Based and Micro Business Specialist, Oklahoma State University

## Social Skills

A person's reputation and network of acquaintances may open the door, but social skills will make the sale.

Social skills that are useful in business include:

- Meeting others and making introductions
- Accepting "no" answers courteously
- Disagreeing and resolving conflict peacefully
- Understanding cultural differences
- Showing respect and consideration for others
- Engaging in conversation
- Communicating clearly
- Expressing feelings appropriately
- Using good manners
- Understanding other people
- Adapting to a wide range of social situations
- Causing favorable reactions in others

## MOREe

1. Think of a time when you had difficulty trying to buy something. What social skills did the sales person use? How did the situation end? What other social skills would have been useful to make the situation go more smoothly? Write a one-page report covering these questions and attach to this page, or discuss them with your Helper.
2. Think of a time you didn't use an appropriate social skill. What was the reaction of the other person(s)? What might you have done differently? Discuss with your group or Helper.



The <sup>e</sup>Walk

Understanding entrepreneurship begins with understanding business basics. One good way to learn about business ownership is to **consult** some business owners by interviewing them personally. By asking some simple questions of owners or their employees you will begin to see what's great, and what's not so great, about business ownership.

<sup>e</sup>ACTIVITY

Decide individually, or as a group, which business owners you would like to interview. Pick a cluster of small businesses in a city center setting or a mall to make transportation easier. You might contact the local Chamber of Commerce, or another organization representing independent business owners, to identify some businesses to visit.

Make a list of questions to ask to gather information about entrepreneurship. Interviews should last only five to ten minutes. Write questions on a piece of paper leaving space between to record responses. Add your own questions to the list given on this page.

As a courtesy, contact businesses in advance to let them know you are coming and make an appointment at a convenient time. Get the name of the person you will interview so you can send a thank you note later. You may go by yourself, in pairs, or in small groups.

Interview at least one business owner or employee, and record information obtained from asking the questions.

Meet with your helper or in the group to report back and discuss information you recorded to the list below.

What is the name of the business? \_\_\_\_\_

Who owns this business? \_\_\_\_\_

What is something good about owning this business or working here? \_\_\_\_\_

What is something not so good about owning this business or working here? \_\_\_\_\_

What is your favorite product or service here? Why? \_\_\_\_\_

How do you find out what products or services people need and want? \_\_\_\_\_

Visualize what it is really like to own a business.

**Entrepreneur Skill:**

Consulting local businesses owners.

**Life Skill:**

Learning to learn: Gathering Information

**Educational Standard(s):**

- Understand entrepreneurial decisions affect job opportunities for other workers.
- Identify an entrepreneur and describe how the entrepreneur's decisions affect job opportunities.



## eXPERIENCE

- How did you decide what questions to ask?
- What did you like most about talking to business owners?
- What do you think was most helpful about talking to business owners?

## eXPLORE

- Why is it helpful to ask business owners about real businesses?
- From information you learned, what do you need to do first in planning your own business?

## eXTEND

- How will the information you learned help you decide whether to start a business of your own?
- In what other situations will interview skills be useful to you?

## eXPAND

- What did you learn that will help you plan your own business?

## The eWalk

Most entrepreneurs are happy to answer your questions about their businesses. After all, it is something they have created themselves, and probably feel great pride in. Your interest in the business is a compliment to its creator.

## MORE e

1. Invite business owners to a meeting for a guest speaker panel.
2. Ask business owners interviewed if you can **job shadow** them for a day or half day.
3. Invite a business owner to be your **mentor**.
4. Talk with your group, Helper or a business person about the difference between the ways you can own a business: as an individual (**sole proprietorship**), with another person (**partnership**), or as a **corporation**.

We just  
formed a  
partnership.



Celebrating  
success is  
part of the  
fun.



# Types of Businesses

Identify four types of businesses.

**Entrepreneur Skill:**

Distinguishing types of businesses

**Life Skill:**

Critical thinking: Classifying

**Educational Standard(s):**

Understand that sellers compete on the basis of price, product quality, customer service, product design and variety, and advertising.

A business can be **classified** into one of four categories. You will demonstrate your understanding of them by accurately identifying a business of each type in your community.

- **Manufacturers** are businesses that create a product from raw materials or **subassemblies**, and sell them to wholesalers.
- **Wholesalers** obtain large quantities of a product or products from manufacturers and sell smaller quantities to retailers.
- **Retailers** buy products from wholesalers and sell them to **consumers** or users.
- **Service providers** perform needed functions for manufacturers, wholesalers, retailers, or the general public. A service is work performed that is of benefit to, or contributes to, the welfare of others.

Manufacturer

Wholesaler

Retailer

Service Provider

## ACTIVITY

Do this activity alone or with others who are interested in entrepreneurship.

1. Identify one of each of the four types of businesses within your **community**. Take a photograph or sketch the front of the building that houses each business. Place in the appropriate box. Note any features about the building that helps identify the kind of business conducted there.

## Words

- *classified*
- *community*
- *consumers*
- *manufacturers*
- *retailers*
- *service providers*
- *subassemblies*
- *wholesalers*



2. Ask someone in each business to explain to you:

- their product/service
- who their customers are.

3. Complete the following outline with the information you obtain.

### Manufacturer

Name \_\_\_\_\_

Product \_\_\_\_\_

Customer \_\_\_\_\_

### Wholesaler

Name \_\_\_\_\_

Product \_\_\_\_\_

Customer \_\_\_\_\_

### Retailer

Name \_\_\_\_\_

Product \_\_\_\_\_

Customer \_\_\_\_\_

### Service Provider

Name \_\_\_\_\_

Product \_\_\_\_\_

Customer \_\_\_\_\_

## eXPRESSIONS

Discuss the following with your helper or members of your group.

### eXPERIENCE

- How did you distinguish between the business types?
- How did it feel to be asking these business people about their products and customers?
- Describe your experience in locating someone to interview at each business.

### eXPLORE

- What was the most difficult about preparing the interview for each business?
- How has this activity made it easier for you to identify types of businesses in your community?

### eXTEND

- What are other times as an entrepreneur you might need to gain information and classify particular types of objects, people, or actions?
- Why is it important to be able to accurately classify things?

### eXPAND

- How can you apply what you have learned to using the telephone book classification system in locating the types of businesses?
- How do businesses identify themselves in their advertising to enable people to know the type of business they do?

## eFACTS

### Multiple Business Types

Some businesses include more than one of the four types of businesses in their operation. Dell Computers, for example, is a manufacturer, a retailer and a service provider. There is no wholesaler of Dell Computers. The Internet is making it easier for small manufacturers to also become retailers. Can you think of other combinations?

## MORE e

1. Use the telephone book to estimate the numbers of businesses of each type in the community.
2. Design a business sign, newspaper advertisement, or website for your idea that would help people identify your type of business. Draw your design and attach to this page.



# Design and Refine

Many successful ideas start out on the back of a napkin, or on a scrap of paper, with a sketch and a couple of sentences. People respond better to short and concise ideas that can be conveyed in a simple picture or a few words.

Maybe you have never tried to put your idea down on paper. If so, your first attempt may be just a rough copy. Once you begin, you can redesign and **refine** to improve your product concept. By putting it in visual form, you can begin communicating your idea more clearly to others such as those who will help fund your idea.

## ACTIVITY

First sketch your product or service on one note card. Then on the second card write a short description about what the product or service does, what it will be used for, or what makes your product unique. Share your sketch and description with your helper and two other people. Ask for their comments. Use these comments to refine your ideas.

### Product Sketch

### Product Description

## WHAT'S IN IT FOR ME

Incorporate improvements to your idea for a product or service.

**Entrepreneur Skill:**  
Improving your idea

**Life Skill:**  
Managing: Planning and organizing

**Educational Standard(s):**  
Understand that the pursuit of self-interest in competitive markets generally leads to choices and behavior that also promote the national level of economic well-being.

If you sketch your idea on paper you can see it more clearly.



## Words

- long term
- refine
- short term



## eXPERIENCE

- Which exercise (sketch or write) did you do first and why? Which was easier to do?
- How did you feel sharing your idea with others?

## eXPLORE

- How did the sketching and writing help you to refine the concept of your idea?
- How were you able to write about your product or service in a way that others could understand it?

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## eXTEND

- What constructive comments did you receive from others?
- How difficult is it to receive constructive criticism?
- Describe how you use organized planning in other areas of your life.

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## eXPAND

- What are other situations where this planning process will help you refine your ideas?
- Which of the steps of this process do you need to practice in order to improve your ability to develop other ideas?

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## Investigate your opportunity

Ideas may be a "dime a dozen" but an entrepreneur does not want a dime idea! Once you have identified an opportunity, evaluate it to see if it is right for you. Is there a large enough market? Can you do what you have in mind in your community? Is it a **short-term** or **long-term** opportunity? What will it cost to get started? How much risk will you be taking in pursuing this opportunity?

Once you have your idea complete a plan for developing a product. Here are some helpful steps:

1. Consider the total situation.
2. Identify the parts, steps and sequence in order.
3. Name who is responsible for each step?
4. Create a timeline.
5. Identify resources required to accomplish the parts or steps.
6. Assemble the parts into a structure according to the desired purpose.

## MORE e

Build a prototype of your product using supplies such as interlocking blocks, clay, straws, paper, whatever is available that would work. How does having a model of your idea help make your concept more clear?



*"Great ideas start with a single word."*

Ewing Kauffman

*"Know that everything starts with an idea and that the creative power of thought is the greatest power in the Universe."*



# The Big Question, WIIFM?

Successful entrepreneurs have learned how to answer the customer's question, "What's in it for me?" They have learned effective **promotional strategies** that communicate how their product or service will meet the **customer's wants or needs**. WIIFM is what all customers ask themselves when buying something.

Understanding the importance of market surveys and learning what your customer is ready, willing and able to buy, will help you have the right product or service at the right price, at the right time and with the right advertisement that answers your customer's question.

## eACTIVITY

It's your birthday and your friends have arrived at your party with all kinds of cards and gifts. What goes through your mind when you see a present? How about "What's in it for me?" These are the five letters of "WIIFM." To be a successful entrepreneur you must always consider this question as the number one question your customers will ask. Your ability to understand their wants, **values**, and needs, and how effectively you show them what is in it for them, will determine your success as a businessperson.

Think back to five items that you bought in the last month. List them and record what need or want the item met for you. What attracted you to the item you bought (word of mouth, advertising, friend had one, etc.) Were you satisfied with each one? Why or why not?

## WHAT'S IN IT FOR ME

Ask yourself the big question all customers ask when purchasing a good or service.

### Entrepreneur Skill:

Promoting your product or service

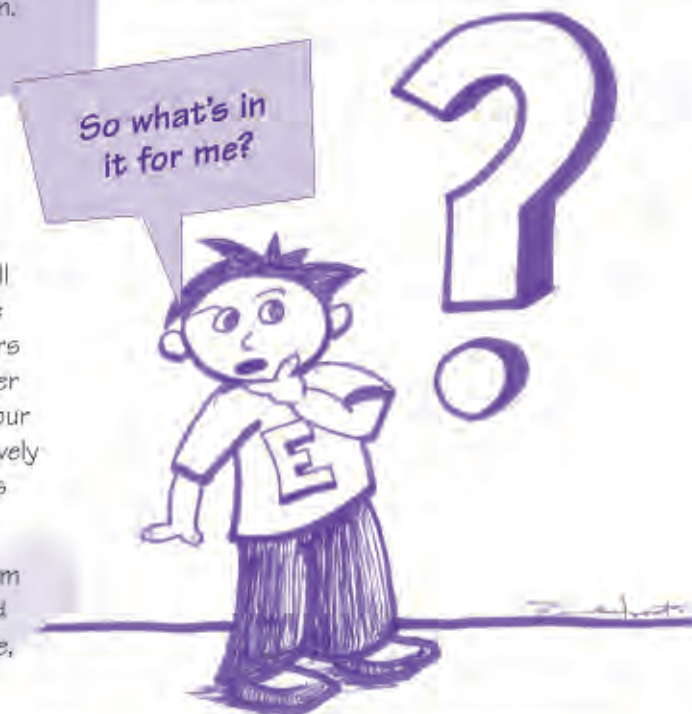
### Life Skill:

Critical thinking: Strategies for analyzing, reasoning, and reflecting

### Educational Standard(s):

Gain knowledge of:

- Economics: Economic decisions require informed choices.
- Career & Life Skills: Develop organizational skills.
- Technology: Select and use appropriate tools and technology to accomplish a variety of tasks and solve problems.



Item you Purchased	Your need or want	Attraction	Were you Satisfied?



## eXPERIENCE

- Remember the last time you received a present. How did you feel when you first saw the package?
- How did you feel after you opened the present?
- How is this like a customer buying a good or service?

## eXPLORE

- What need or want did the gift satisfy?
- How did you feel when the gift met your expectations?
- How is this like a customer that is satisfied with a purchase?

## eXTEND

- Why do you think people want to know what a purchase will do for them?
- How do you especially consider WIIFM when you spend your own money?
- How do you feel when a purchase turns out to be something you don't really want?

## eXPAND

- How can an entrepreneur determine whether customers will be satisfied after buying his/her product or service?
- How will you respond if your customer's needs aren't met?
- How does knowing WIIFM change how you advertise your product?



Understanding  
of wants and  
needs.

## Talk it Up!

The number one marketing promotional strategy is **Word of Mouth**. A satisfied customer is your best form of advertising.

## Target your market

Most successful businesses understand in detail who will be their best customers. These specific customers are known as the **target market**. You must understand their problems, their needs, their values, their preferences, and their willingness to spend. You must market your product in a way that is most attractive to the people you are targeting.

# MORE e

Think back to your last activity, Design and Refine. What would your customer say the "WIIFM" is for your product or service? Ask your helper and several of your friends what their response would be to that question.



"Eagles  
don't flock—  
you find them  
one at a time."

H. Ross Perot



# Turning Your Assets Into Money — Asset Inventory

## Section 1: Asset Inventory

Check your answers.

### I know how to

- ☐ Make an action plan
- ☐ Map community assets/needs
- ☐ Research a topic
- ☐ Draw
- ☐ Drive a car
- ☐ Find donations
- ☐ Sell things
- ☐ Follow directions
- ☐ Keep good records
- ☐ Lead group discussions
- ☐ Lead workshops
- ☐ Make a speech
- ☐ Organize things
- ☐ Plan events
- ☐ Type letters
- ☐ Raise money
- ☐ Make crafts
- ☐ Resolve problems
- ☐ Work with money
- ☐ Use a computer
- ☐ Make a PowerPoint presentation
- ☐ Take pictures
- ☐ Create a newsletter
- ☐ Teach
- ☐ Write letters
- ☐ Other \_\_\_\_\_
- ☐ Other \_\_\_\_\_
- ☐ Other \_\_\_\_\_

## Section 2: Interest Inventory

Put an X on the line between N (never), S (sometimes), and A (always) indicating your response. (Circle your favorite one.)

	Never	Sometimes	Always
<b>I like to</b>			
Create presentations	N-----S-----A		
Facilitate an action plan process	N-----S-----A		
Find contributions	N-----S-----A		
Find information on the Web	N-----S-----A		
Lead discussions	N-----S-----A		
Map community resources	N-----S-----A		
Make decisions	N-----S-----A		
Make and sell items	N-----S-----A		
Make calls for donations	N-----S-----A		
Make posters	N-----S-----A		
Meet new people	N-----S-----A		
Monitor a budget	N-----S-----A		
Move equipment	N-----S-----A		
Organize equipment	N-----S-----A		
Plan events	N-----S-----A		
Read about youth programs	N-----S-----A		
Set up for events	N-----S-----A		
Shop for supplies	N-----S-----A		
Speak to groups of adults	N-----S-----A		
Speak to groups of youth	N-----S-----A		
Talk to people one on one	N-----S-----A		
Teach children and teens	N-----S-----A		
Tell others what to do	N-----S-----A		
Travel out of town	N-----S-----A		
Type letters	N-----S-----A		
Visit other communities	N-----S-----A		
Walk door to door	N-----S-----A		
Work alone	N-----S-----A		
Work with a group	N-----S-----A		
Write letters for donations	N-----S-----A		

What resources can you contribute to a business? \_\_\_\_\_

Circle your answers.

### I can contribute (or make available):

- ☐ Art supplies
- ☐ Audio equipment
- ☐ Copy paper
- ☐ Craft materials
- ☐ Entrepreneurship resource materials
- ☐ Film
- ☐ Photocopies
- ☐ Postage stamps
- ☐ Snacks for meetings
- ☐ Space for meetings
- ☐ Time
- ☐ Volunteers
- ☐ Other \_\_\_\_\_
- ☐ Other \_\_\_\_\_

## Section 3: Business Inventory

Based on the skills, interests, and resources that you checked above:

What type of business would you like to start? \_\_\_\_\_

How is this business like/different from businesses that already exist in the area? \_\_\_\_\_

Why would it be important to start this business? \_\_\_\_\_

Who would be your customers? \_\_\_\_\_

How would the community benefit from the business? \_\_\_\_\_



Your Social Competency Inventory					Low	High
Rate your ability in each area by circling the answer that best describes you:						
1. I'm a good judge of other people.					1	2 3 4
2. I can easily adjust to being in just about any social situation.					1	2 3 4
3. People can always read my emotions even if I try to cover them up.					1	2 3 4
4. I'm good at flattery and can use it to my own advantage when I wish.					1	2 3 4
5. I can usually recognize others' traits accurately by observing their behavior.					1	2 3 4
6. I can be comfortable with all types of people—young or old, people from the same or different backgrounds as myself.					1	2 3 4
7. Whatever emotion I feel on the inside tends to show on the outside.					1	2 3 4
8. I can usually read others well – tell how they are feeling in a given situation.					1	2 3 4
9. I can talk to anybody about almost anything.					1	2 3 4
10. Other people can usually tell pretty much how I feel at a given time.					1	2 3 4
11. I can really appear to like another person even if I don't.					1	2 3 4
12. I can tell why people have acted the way they have in most situations.					1	2 3 4
13. People tell me that I'm sensitive and understanding.					1	2 3 4
14. I am very sensitive to criticism from others.					1	2 3 4
15. I generally know when it is the right time to ask someone for a favor.					1	2 3 4
16. I have no problems introducing myself to strangers.					1	2 3 4
17. I am often concerned about what others think of me.					1	2 3 4

Please add your scores as follows:

Social Perception	Social Adaptability	Expressiveness	Impression Management
Q1	Q2	Q3	Q4
Q5	Q6	Q7	Q11
Q8	Q9	Q10	
Q12	Q13	Q14	
Q15	Q16	Q17	
<b>Totals</b>			

INTERPRETATION: The rankings are 1 = poor, 2 = adequate, 3 = good, and 4 = excellent. The purpose of this tool is to examine the level of your current ability to work in various social situations. While there is no "correct" score, you probably would like to score a 3 or 4 on each question or a total of 15 or more on the first three categories and six or more on "Impression Management." You will want to work on the skills where the score is lower.



# Level 1 Entrepreneurship Post- then Pre-Evaluation

On the following scale, 4 is high and 1 is low. Rate what you know about that subject now that you have completed Level 1 of the project. Circle N/A if that particular information was not included. Please circle your answers in each column.

What is your understanding of...	Now—After Completing Level 1	Back—Before you Started Level 1	I Plan to Use This Within Six Months	
1. The definition of an entrepreneur	4 3 2 1 N/A	4 3 2 1	Yes	No
2. What it is really like to own a business	4 3 2 1 N/A	4 3 2 1	Yes	No
3. The big question all customers ask when purchasing a good or service	4 3 2 1 N/A	4 3 2 1	Yes	No
4. How important social skills are in the business world	4 3 2 1 N/A	4 3 2 1	Yes	No
5. The differences between the four types of business	4 3 2 1 N/A	4 3 2 1	Yes	No
6. Your own strengths as a prospective business owner	4 3 2 1 N/A	4 3 2 1	Yes	No
7. How important it is for you as an entrepreneur to be passionate and enthusiastic	4 3 2 1 N/A	4 3 2 1	Yes	No
8. The importance of time management when you are starting a business.	4 3 2 1 N/A	4 3 2 1	Yes	No

What is your ability to...	Now—After Completing Level 1	Back—Before you Started Level 1	I Plan to Use This Within Six Months	
9. Incorporate improvements to your product or service	4 3 2 1 N/A	4 3 2 1	Yes	No
10. Investigate how a favorite product was created	4 3 2 1 N/A	4 3 2 1	Yes	No

11. My two favorite parts of Level 1 - \_\_\_\_\_

\_\_\_\_\_

12. One thing I will use right away - \_\_\_\_\_

\_\_\_\_\_

13. My least favorite activities in Level 1 - \_\_\_\_\_

\_\_\_\_\_

14. Additional comments about Level 1 - \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Explore more at  
[www.4-hcurriculum.org](http://www.4-hcurriculum.org)  
 National 4-H Curriculum



BE THE "e"  
**e**ntrepreneurship

# Plan *it!*



Practicing  
Skills

**LEVEL**

# 2





# Contents Level 2 Plan it!

**Welcome** to the *second* section of **BE THE e** where you will continue learning how to become a successful entrepreneur. By completing the activities, you will gain many more necessary skills to use as you put your ideas to work for you in business.

Level 2, *Plan it!*, follows the same format as *Love it!* First, attempt to complete the activity independently. Do as much as you can. Think about the questions and discuss them with your helper. The more you think about the questions and use them to clarify and expand your ideas, the more valuable your learning experiences will be.

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Level 2 **Plan*it*!**

## My Entrepreneur Project Goals

Name \_\_\_\_\_

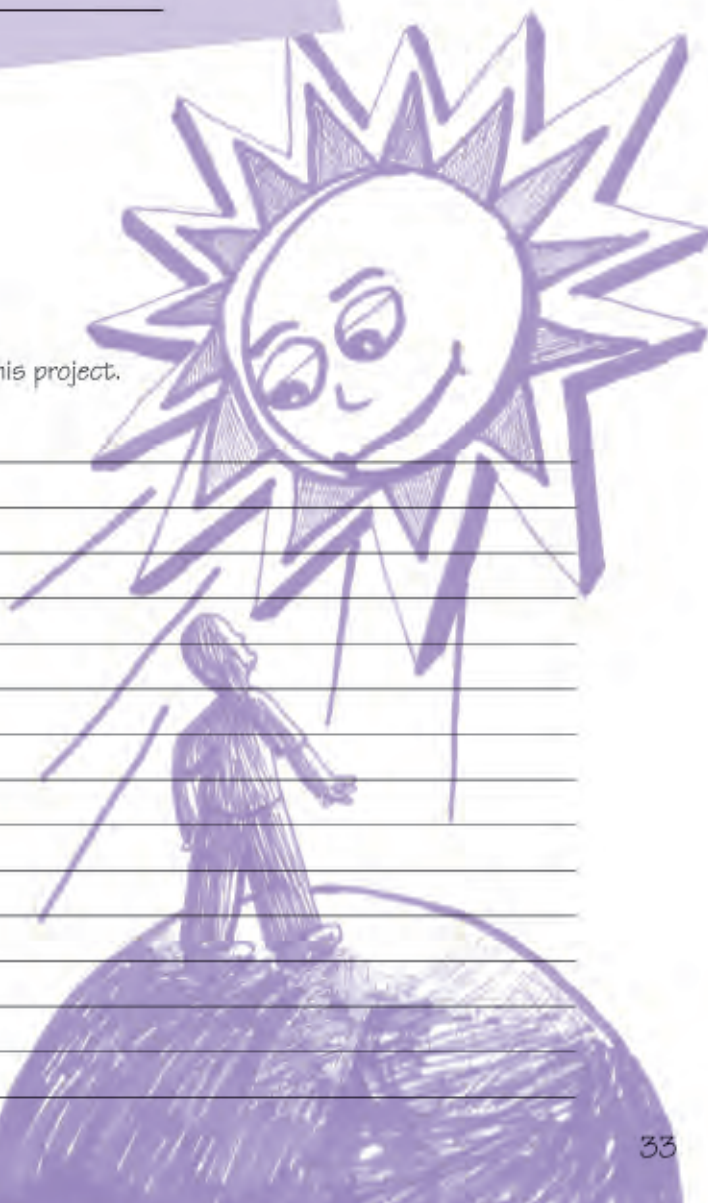
What I want to do and learn in this project.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## Plan*it*!

### Highlights

Date and list the most fun and interesting things you did in this project.







# Level 2 **Plan It!** Achievement Program

## Guidelines

1. Do at least seven of the *Plan It!* and MORE **e** Challenges activities each year.
2. Complete at least 21 of the *Plan It!* and MORE **e** challenges activities within three years to complete this achievement program.
3. Have your project helper date and initial the activities as you complete them and discuss them.

<b>Plan It!</b> Activities	Date Completed	Helper's Initials
The Language of Business		
Econ 101—Common Sense Economics		
Recipe for Success		
Who's Doing It?		
Beam My Idea Up, Scottie		
Online or in Person?		
The <b>e</b> in Customer		
The Business Name Game		
How Do I Sell It?		
Your Style is Showing		
Meet the Press		
Customer Service and Social Sensitivity		
Is a Handshake Enough?		
Should I Hire Dad?		
Who Gets the Credit?		
Be a Legal Eagle		



Select and do any of the MORE **e** activities in *Plan It!* or make up your own. Record the page and number of each one you complete and ask your helper to initial.

Page	#	Date completed	Helper's initials

Describe your own activity here:

Date \_\_\_\_\_ Helper's initials: \_\_\_\_\_

Describe your own activity here:

Date \_\_\_\_\_ Helper's initials: \_\_\_\_\_



# BE THE *e* Entrepreneurship

\_\_\_\_\_  
Name of Recipient

has completed all requirements of  
Level 2, *Plan it!*  
in the BE THE *e* Entrepreneurship Series.

\_\_\_\_\_  
HELPER'S SIGNATURE

\_\_\_\_\_  
DATE



Place a picture of you  
and your Plan it!  
project here.





# The Language of Business

Working effectively with others is one key to becoming a successful entrepreneur. The ability to communicate encourages interaction and promotes understanding. One of the ways people exchange information is by having a **common** language or collection of words to use. Without a common language people have difficulty working together. In every area of life there is a language that is unique to that **culture**. Business has its own language and culture, as well. To be effective in the business world, you will need to be familiar with commonly used business terms.

## Crossword Puzzle Word List

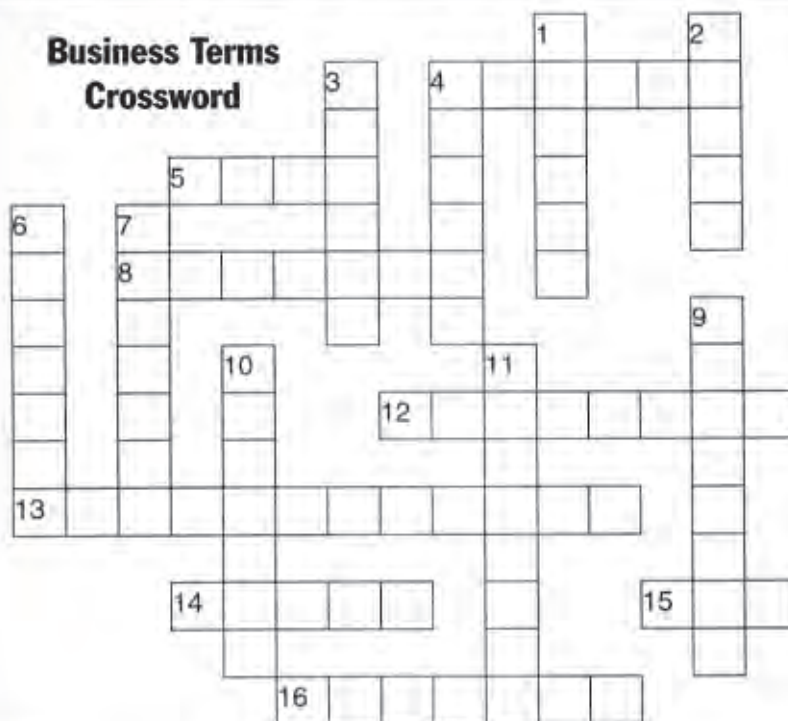
Asset	Market
Capital	Mentor
Consumer	Overhead
Cost	Patent
Entrepreneur	Product
Expense	Revenue
Gross	Service
Income	Tax
Interest	

Check your answers on pages 120.

## eACTIVITY

Using the Crossword Puzzle Word List, answer the questions to complete the puzzle. These are some of the terms used in the business community. An understanding of the terms and their meanings makes it easier for you to operate in the business world.

### Business Terms Crossword



#### Across

4. Person who volunteers time and expertise to help a business owner
5. An expense
8. Money earned by sale of products and services
12. Person or business who buys products and services for its own use
13. Person who organizes and manages a business
14. Something of value
15. Percent of business income used to support public services
16. Money or property owned by the business

#### Down

1. Money received from sale of products and services
2. Total of all products and services sold before expenses
3. Exclusive right to produce, use, and sell invention or process
4. Group of people interested in a product or service
6. The sale of one's time, skills, or expertise
7. Something made and sold on the market
9. On-going fixed cost of operating a business
10. Cost of doing business
11. Payment for the use of someone else's money



## eXPERIENCE

- Why is a common language important in the business world?
- Which words on the crossword list didn't you know?

## eXPLORE

- How important is it to be able to correctly use business language or terminology?
- How might understanding these words help you as a business owner?

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## eXTEND

- List three situations when you might find it helpful to know the correct business terms.

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- In what other areas do you come across words you don't know?

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## eXPAND

- How will you determine the meaning of any words you don't know?
- How will you use business terms to become familiar with them?

---



---



---

Your talking  
my language  
now.



## Expanding Your Vocabulary

How do you remember all those business terms? When you come across a word you want to remember, be sure to define it aloud for your helper or your family. Try to use the word a number of times in conversation.



## MORE e

Keep a list of business words you don't know. Look up and write down their meanings. Make notes of appropriate times when you might use them including

- Introducing your idea
- Advertising/selling your product or service
- Acquiring capital
- Convincing partners
- Working with other business owners



# Econ 101: Common Sense Economics

Are you a problem solver? Are you a creative thinker? Most people find problems easily enough. Entrepreneurs are problem solvers. A successful entrepreneur recognizes a market opportunity and provides a product or service to meet the opportunity. In **common sense** terms, when wants are greater than the resources available to satisfy the wants, creative thinking is needed. Entrepreneurs are creative and think outside of the box. Test your creativity. See if you can use only four straight lines to connect all the dots.

The solution to a problem is not always obvious. This is where creativity comes in. An entrepreneur takes a creative look at the problem situation to come up with a solution.



(See puzzle solution on page 120.)

## WHAT'S IN IT FOR M<sup>e</sup>

Discover the common sense approach to economics.

### Entrepreneur Skill:

Understanding basic economic terms

### Life Skill:

Problem solving: Identify the problem situation

### Educational Standard(s):

Understands that productive resources are limited. Therefore, people cannot have all the goods and services they want. As a result, they must choose some things and give up others.



### e word

### Definition

- |                           |                                                                                                                         |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------|
| A. _____ Entrepreneur     | 1. The sale of one's time, skills, or expertise.                                                                        |
| B. _____ Demand           | 2. Person or business who buys products and services for its own use.                                                   |
| C. _____ Good             | 3. Limited resources versus unlimited wants.                                                                            |
| D. _____ Service          | 4. Two or more parties acting independently to gain the business of a third party by offering the most favorable terms. |
| E. _____ Consumer         | 5. Desire for a good or service.                                                                                        |
| F. _____ Scarcity         | 6. One who organizes, manages, and assumes the risk of a business or enterprise.                                        |
| G. _____ Competition      | 7. Giving up something now to get something else in the future.                                                         |
| H. _____ Opportunity Cost | 8. An expressed desire for a good or service.                                                                           |
| I. _____ Want             | 9. Another term for a product.                                                                                          |

## eACTIVITY

Begin to build an understanding of economic terms by matching each "e" word with a definition. Check your answers on pages 120.



## eXPERIENCE

- What is the meaning of the concept of scarcity?
- How is creativity a part of entrepreneurship?
- What is the common sense approach to economics?

## eXPLORE

- What are examples of scarcity within your school and community? What opportunities do they create for business ideas?

## eXTEND

- How does your business idea meet a demand for goods or services not being met in your community?
- When have you delayed satisfying a need or want of your own?

## eXPAND

- What will be your opportunity cost to open your business?
- What do you expect to gain from having your own business?

**T**ell me and I'll forget,  
show me and I may remember,  
involve me and I'll understand — Chinese proverb



## Words

- common sense
- oversupply
- scarcity
- short supply

# eFACTS

## Market Price

The market price will be that price where the amount purchasers are willing to purchase (demand) is equal to the amount the seller is willing to sell (supply). If buyers want more of the product than the seller has, the price will rise. If the seller has more of the product than buyers want, the price will go down.



Economic reasoning—  
making decisions  
based on forethought  
of scarcity,  
alternatives, and  
opportunity  
cost.

# MOREe

1. Visit your local shopping area and observe what people buy. What items seem to be in short supply? What additional goods or services could be added?
2. Read the advertisements and want ads in your local newspaper. Is the list of things being sold as long as or longer than the list of things wanted? By reading the ads can you determine any items that are in short supply? What items are in **oversupply**? How can you tell?



# Recipe for Success

Good business **planning** involves developing a game plan or **recipe** for producing your product or service in a logical manner. The plan is necessary to identify resources needed, and in what order they will be used.

Purpose + Materials + Process  
= Business Success

## eACTIVITY

### My Recipe for Business Success

Think through the basic steps or process in producing your product or delivering your service by answering the following questions.

**The name of my business is:**

**My product or service is** (a quick description of what you are making or doing):

**The purpose of my business is**  
(Why is your product or service important?  
To whom does it matter?):

**Materials:** What resources are you going to need to start your business?

- What are the **Ingredients** in your business plan; don't forget people! You may have to research the process to make your list.

- **Process:** What are the basic steps from start to use of your product or delivery of your service?



Create your recipe for producing a product or delivering a service.

#### Entrepreneur Skill:

Developing a game plan for your product or service

#### Life Skill:

Planning/organizing: Identifying the steps and sequence

#### Educational Standard(s):

Participate as knowledgeable, reflective, creative, and critical members of a variety of literacy communities.

Understand that to earn income people sell productive resources. These include their labor, capital, natural resources, and entrepreneurial talents.

Lack of planning costs companies untold millions of dollars everyday.

Refer to page 106 to add this information to your business plan.

### Words

- ingredients • materials
- planning • process
- purpose • recipe

Failing to plan is planning to fail. —Benjamin Franklin



## eXPERIENCE

- How did you know what to include in your recipe or game plan for your business idea?
- Where did you find the information you needed?

## eXPLORE

- Why is it important to develop a recipe or game plan for your business?
  - What elements of the production cycle do you consider most important?
- 
- 
- 

## eXTEND

- How does planning and organizing help to make your ideas become reality?
  - In what other areas of your life will planning help you be successful?
  - What might happen when a business venture is not well planned before starting?
- 
- 
- 

## eXPAND

- Who will you involve in helping you make your business game plan?
  - How does making your plan help you make a decision about starting a business?
- 
- 
- 

## eFACTS

### Include the Details

An old story said that a recipe for Tiger Soup began, "First catch a tiger." Make sure your recipe for success includes enough detail so you will know exactly how to accomplish each step you develop.

## MORE e

1. Take the information from this activity and write a more detailed version of your plan.
2. Find an article about business planning and summarize it in a report to your group.
3. Interview successful local entrepreneurs about the basic planning steps for their business, how it helped them, and what they would do differently now. Ideas for some questions to ask:
  - How did you develop your goods or services?
  - What has occurred in your business that you did not plan for?
  - What would you do differently with your business if you were starting over?

Discuss the outcome with your helper.



# Who's Doing It?

Before deciding whether you can design a product or service that will compete on the existing market, it is very important to know what goes into the production, marketing and sale of a product. Cost comparison is one part. Identification of similar current products is another. Projected future **trends** and changes must also be considered. In this activity you will observe a business and talk to the manager.

WHAT'S IN  
IT FOR M<sup>e</sup>

Gather information on products similar to yours.

## Entrepreneur Skill:

Evaluating goods and services

## Life Skill:

Critical thinking: Strategies for comparing

## Educational Standard(s):

Understand how individuals and nations have a comparative advantage in the production of goods or services if they can produce a product at a lower opportunity cost than other individuals or nations.

## eACTIVITY

Visit a retail store of your choice. Look at it through a producer's eyes rather than those of a consumer. Evaluate existing products and learn how they reach the market.

1. Select a store of your choice. Choose one that carries products similar to what you are considering for your business. Look at selected products and how they reach the market. List steps from raw materials to finished product necessary to place that product in the store.  
  
Product selected:  
  
  
Steps necessary for product to reach the market:
2. Identify the competition for this product and for this store. What other store(s) in the area might compete with the chosen store in selling the same or similar products?
3. At the store, introduce yourself and explain your project. Ask the manager which of your selected products is the most sought after and why.

4. Find two products similar to yours. **Compare** and **contrast** their **usability**, **durability** and benefits with yours. Describe all three products and record your findings on the observation worksheet below.

## Observation Worksheet

Product selected	How useful is this product?	How durable is this product?	What are the benefits of this product?	Who would use this product?
Product 1				
Product 2				
Product 3				

Words

• compare • contrast • distribution • durability  
• production • profit • trends • usability



## Research Your Product

There certainly are some entrepreneurs who succeed in developing an opportunity they know little about. That is called Luck. It's not very reliable as guidance for something as complex as starting a business. The more you know, the better your chances at being successful.

5. How could you design modifications or apply new ideas, including modifying the cost of **production, distribution** and **profit**, to compete in the existing market?

6. What future trends and changes do you project in the demand for your product or service that must be considered?



What benefits does this product offer?



This is exciting stuff.

## eXPRESSIONS

Discuss the following with your helper or members of your group.

### eXPERIENCE

- What product did you compare and contrast?
- How did you learn about the steps required to place the product on the shelf at the store?

### eXPLORE

- Why is it important to determine what products are already on the market?
- Why is it important to explore the usability, durability and benefits of a product?
- How would you modify the products currently on the market and why?

### eXTEND

- Why is this activity important in becoming a successful entrepreneur?

### eXPAND

- What other items do you buy where the comparison process would be useful?

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## MORE e

Go online to look for products similar to yours. Evaluate the usability, durability, and benefits of each. Compare these products with your product. Complete an Observation Worksheet and discuss your findings with your helper.



# Beam My Idea Up, Scottie

How can you discover if someone else is doing your business idea? How can you compete in such a marketplace? It is very important to realize that your idea, product or services are a part of a larger, even world-wide, economy. Your idea may or may not be new. Maybe the idea even first came from another country. Products and service spread quickly from place to place.

Much information on business ideas can be found on the Internet. You need to know how to search for the information you want, how to evaluate the accuracy and usefulness of the information, and how to apply it to your situation.

## WHAT'S IN IT FOR ME

Use the Internet to research your business idea.

### Entrepreneur Skill:

Using technology for research

### Life Skill:

Decision making: Gathering information

### Educational Standard(s):

Use productivity tools to collaborate in constructing technology-enhanced models, prepare publications, and produce other creative works.

I see many new ideas in your future.



## eACTIVITY

Take the idea you have developed and conduct research on the Internet as to how much competition there is around the world. Is your idea unique? What new concepts, variation and applications are there related to your idea? Check online auction sites to determine if the product is being marketed world wide. Evaluate the quality and

quantity available along with pricing. Visit the U.S. Patent Office online to research if your idea has been registered. Record the site addresses and catalog the information you find so you can return to it or review it later.

### My Internet Product Research

Name of product.

Web Site	Web Site URL	Information on Site

Summary of Research



## eXPERIENCE

- What Internet sites did you visit that related to your business?
- What was the most surprising information you found related to your business idea?

## eXPLORE

- What did you find that can be used to make your business more profitable?
- What additional information do you want to locate?

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## eXTEND

- What marketing ideas did you find that you can use?
- What changes will you make in your idea because of the information you found?

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## eXPAND

- How can you use this research technique in other aspects of your life?

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## Internet Marketing

Not only is the Internet available as a tool for your research, it also serves to market products and services from around the world. You are competing with businesses in your own community and also in other countries. People are taking advantage of technology to locate unique specialty items and competitive prices via the Internet and on television. But don't let this prevent you from becoming an entrepreneur—you just need to become proficient in using technology in your business.

## MORE e

1. Work with a small business in your community to identify a single unique product that they carry. Conduct research to see if there is a larger market for that idea, good or service, and share with the local entrepreneur.
2. Conduct a virtual survey of people you know via an **online survey tool** to check on the practicality of the product.

*There is seldom an idea  
that is new to the world.*



# Online or in Person?

Will you want to market your product on the Internet? The Internet may be the greatest business tool ever invented. Online shoppers can find greater selection, convenience and lower prices. Online businesses can reach millions of shoppers and business partners, provide round-the-clock products and services and better meet their customers' individual needs.

With widespread use of the Internet, online business changed the way of selling a product or service, or gathering information. Some businesses succeed online while others are better suited for in-person sales. It is useful to become familiar with Web-based businesses. You will decide if a Web-based business, or a combination of both online and in person, could work for your business idea. In this activity you'll explore what makes Internet shopping attractive to consumers

## WHAT'S IN IT FOR ME

Explore the world of online business.

**Entrepreneur Skill:**  
Exploring Web-based business

**Life Skill:**  
Critical thinking: Strategies for success

**Educational Standard(s):**

- Use technology resources for solving problems and making informed decisions.
- Employ technology in the development of strategies for solving problems in the real world.

In my fast-paced world I use Internet shopping.



## eACTIVITY

Go online and evaluate how websites compete for the customer's business. What is needed on the website for an online business to succeed? Search for examples of the following items on websites. Record the site address where you found them, and the type of consumer they seem to target. Record the sites that appeal to you and ideas that might work for your business idea online.

### Internet Inventory

Site Examples	Site Address	Target Consumer
Sells consumer products		
Sells a service		
Sells information		
Keeps a counter of visitors		
Lists <b>credentials</b> of business owner(s)		
Encourages potential customers to write them		
Includes <b>testimonials</b> from previous customers		
Has a section called FAQ (frequently asked questions)		
Is a website that instantly wants you to look further		
Is a website that instantly makes you not want to look further		
Has a customer service e-mail contact that is easy to find		
Is an example of a web mail		



## eXPERIENCE

- What was the most difficult item on the list to find online?
- What factors make Internet shopping attractive?

## eXPLORE

- How does an online site differ from an in-person sales approach?
- Why is it important for certain items to be included on a Web-based business site?
- Why or why not would your business idea work as an online business?

## eXTEND

- When have you, or a family member, purchased a product, service, and/or information from the Internet? What attracted you?
- What about your Internet shopping experiences did you consider successful?

## eXPAND

- What would you include on your website to make people want to purchase what you are selling?
- What steps would you have to take to sell your item on the Internet compared to selling in person?
- What skills would you need to place your product/service online?

## Online Sales Data

- According to ActivMedia, **e-commerce** sales for 2000 were \$132 billion worldwide, which is twice as much as in 1999. Also, 69% of Internet users have made purchases online.
- According to research firm BizRate.com, the fourth quarter of 2003 represented exactly one-third of total online sales for 2003, as spending reached a whopping \$18.38 billion. This was a 22 percent increase over the same period in 2002 when \$15.04 billion was spent online.

Prize-winning  
designs  
online.



## MORE e

1. Investigate what you need to be able to start an online business. Make a list of the required equipment and expertise and then evaluate what you have, what you are capable of doing yourself, and what you would have to hire someone to do.
2. Using paper, draw the pages of a website that you could use as a template in the future if you decide to place your business online.



- credentials • e-commerce
- testimonial



# The in Customer

Successful products and services meet a real consumer need in relation to:

- price • durability • functionality
- convenience • perceived quality

Business owners need to plan marketing strategies to convince target customers of the need for and benefits of their product/service. Identifying consumer benefits of their products/services is a process often overlooked by entrepreneurs.

## ACTIVITY

1. Why do people buy things? Write down some of the reasons that people make purchases.

3. Based upon the two best fit needs/wants identified, picture in your mind the consumer who might buy your product/service. Complete the following information profile on customers who might purchase what you are selling.

2. What do people buy? Complete the chart below. Under the Customer Needs/Wants column identify a variety of customers needs/wants. Under the My Product/Service column record how your product or service might meet this need/want. After completing the listing, place a check mark in front of the one or two needs/wants that is the best fit between your product/service and the need/want of the customer.

Customer Needs/Wants	My Product/Service

### Customer Demographic/Psychographic Profile

Age	
Gender	
Ethnicity	
Income	
Education	
Occupation	
Family Size	
Geographic Location	
State	
City/rural	
Lifestyle	
Attitudes	
Values	
Personality type	

## WHAT'S IN IT FOR M

Defining customer needs/wants will meet the product or service.

**Entrepreneur Skill:**  
Identifying your target customer

**Life Skill:**  
Critical thinking: Strategies for using information

**Educational Standard(s):**  
Understand that the pursuit of self-interest in competitive markets generally leads to choices and behaviors that also promote the national level of economic well-being.



- convenience • demographic • functionality
- perceived quality • physical • psychographic
- psychological social



## eXPERIENCE

- Describe the customer who would be most likely to purchase your product/service.
- Why is it important to know who your customer is?

## eXPLORE

- How will your product meet the profiled customer's need/want?
  - Where might your target customer currently buy the item you want to market?
  - How will your product fill a physical, social or psychological need/want?
- 
- 
- 
- 

## eXTEND

- Visualize yourself as a consumer. What needs/wants do you have? How does what you purchase meet these needs/wants?
  - How do you feel when you have purchased something you need or want?
- 
- 
- 
- 

## eXPAND

- How will the targeted consumer demand be enough to make your product profitable?
  - How will you use your target customer profile to promote your product/service?
- 
- 
- 
- 

People purchase goods and services to satisfy their needs and wants. Their needs and wants may be **physical, social or psychological**. You will want to identify your target customer's needs and develop your promotional strategies around how your product or service benefits your target customers.

*We go to our  
customers to  
meet their  
needs.*



# MORE e

Visit with three business owners and ask them how they promote their item(s) to meet their target customers' needs/wants. Take notes and compare their responses to learn what they have in common. Do you think one of them pays more attention to the target market? Do you think that makes a business more successful?



# The Business Name Game

By now you have decided the type of business you want to open. It is time to name your business. The name of a business indicates what the business is and does. Creating a catchy name is very important as people will recognize and remember your business by its name. In this activity you'll have an opportunity to explore different names for your business and help you select the best one.

## ACTIVITY

1. Begin with twenty 3 X 5 cards or pieces of paper. On the cards, write the following:
  - Five **nouns** – names of people, places, or things, that relate to your business
  - Five **adjectives** that describe and define the nouns
  - Five **verbs** – action words, that indicate what your business will do
  - Five **adverbs** that help define the verbs related to your business.
2. Using two or more of any of the cards at a time, begin combining words. Take a few minutes and continue to move the cards around and **brainstorm** the possibilities. List your ideas on a piece of paper titled: The Name of My Business. If at any time you want to change one or more of the words on the cards, you may do so as long as you stay within the category of the original word on the card.
3. Select the top three possible names you created for your business.

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4. Survey at least three people to find out which name they like best and why. Put a + sign in front of the one(s) each person liked best.

Record the information below.

### Survey

Person's name	Name selected	Reason why

5. Select a name to for your business and write it in the box below.

Identify a name for your business.

### Entrepreneur Skill:

Naming your business to create your first impression

### Life Skill:

Decision making: Generate alternatives

### Educational Standard(s):

Understand that people in all economies must address three questions: What goods and services will be produced? How will these goods and services be produced? Who will consume them?



## eXPERIENCE

- What was the most difficult part about choosing words to write on the cards?
- What was the easiest part about naming your business?
- How well did you like the names you created?
- How well did other people like the names you created?

## eXPLORE

- What things did you consider when making a final decision on what to call your business?
- Why is it so important to select the right name for your business?
- Why do you think this is the right name for your business?

## eXTEND

- Think about something else you have named in the past (example, a pet). What process did you use to select a name?
- What names of businesses that you know do you like?
- What about those names helps you to remember them?
- How do they reflect what the business does?

## eXPAND

- Why is brainstorming like this effective in helping to make decisions?
- In what ways can you use brainstorming to make other decisions?

## The Right Name

William Shakespeare said, "A rose by any other name would smell as sweet." True, yet a memorable name that is easily associated with the positive characteristics of your product can be a very important marketing tool. Finding the right name is worth the trouble it takes.

The name  
of my  
business  
brings in  
customers.



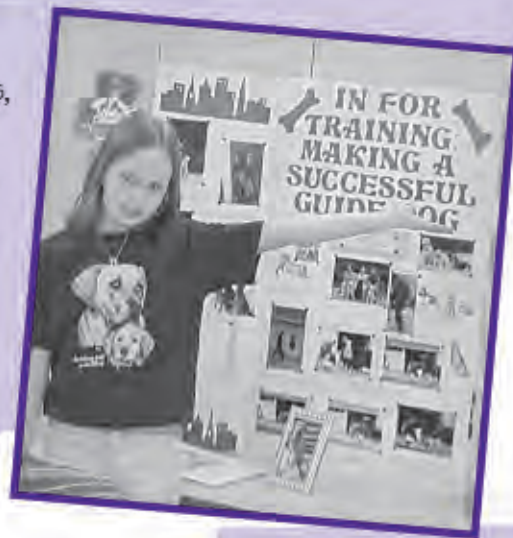
## MORE e

1. Did you know that you cannot have the same name as another business in your state? After choosing your name, visit with your local Clerk of Court and ask how you can be sure your business name is available in your state. You may also want to check for your potential domain name by searching for your business on the Internet.
2. Design a business card for your new business.



# How Do I Sell It?

It is not easy to **sell** products, but you can develop good presentation skills. One way to practice these skills is to develop a 30-second **commercial** telling others about yourself.



## WHAT'S IN IT FOR ME

Market/advertise yourself.

### Entrepreneur Skill:

Developing skills to sell a product

### Life Skill:

Communication: Public speaking

### Educational Standard(s):

Adjust the use of spoken, written, and visual language (e.g., conventions, style, vocabulary) to communicate effectively with a variety of audiences and for different purposes.

## eACTIVITY

1. Think about what would make others interested in you. Consider commercials that you find clever and attention-grabbing; use similar techniques. You can use props to make your presentation more interesting. Record:

- what you do well

- what people like about you

- what you like about yourself

2. Write your commercial here.

3. Present your commercial to your group or your helper.



Need more ideas?  
Brainstorm with a friend  
to decide what to include  
in your commercial.



## eXPERIENCE

- How do you feel about making a presentation about yourself to others?
- What was the most difficult part of your presentation?

## eXPLORE

- Why is it important for a business owner to be able to sell?
- Is presenting yourself or selling your product more important? Explain.

## eXTEND

- In what other situations in your life do you have to make presentations?
- How do you feel about someone trying to sell something to you?

## eXPAND

- How will you use this activity to help you **market** your product or service?
- What key ideas do you need to remember when selling your product or service?



*Wouldn't you  
love to own  
one of these  
little darlins?*

## Selling Yourself

A complement is a gift that someone gives you. Don't belittle it or deny it, but accept it graciously and gratefully as you would any valued gift. It is perfectly all right to speak positively about yourself. As the old saying goes, "He who tooteth not his own horn, the same shall not be tooted."

Communication is part of your image. You send messages by the clothes you wear, your tone of voice, the way you stand, walk, or sit. You need to consider the impression you have on others, and how you might change it to become more successful. You need to be viewed by potential partners and customers as businesslike, knowledgeable, honest and reliable. The way you communicate is one part of how you market yourself and your product or service.

## MORE e

1. Using the same principles as in the commercial about yourself, develop a commercial to sell your product or service.
2. Develop a list of other ways to market your business. Talk about your ideas with your helper.



# Your Style Is Showing

You are always communicating, sending messages to other people. About 7 to 10% of all communication is **verbal**—words and sounds. The other 90% is **non-verbal**—facial expressions, body language and gestures. You need to know how to understand the non-spoken language because it is often more accurate than the words that are said.

## WHAT'S IN IT FOR ME

Be more aware of the meaning in non-verbal communication.

**Entrepreneur Skill:**  
Marketing yourself

**Life Skill:**  
Communication: Observing and interpreting

**Educational Standard(s):**  
Adjust the use of spoken, written, and visual language (e.g., conventions, style, vocabulary) to communicate effectively with a variety of audiences and for different purposes.

## eACTIVITY

Observe communication for at least 30 minutes at a local shopping area, your school or another public place. Watch how people communicate with each other and how many messages they send. The actual words said aren't as important as the underlying message that is communicated. Note the following:

**Clothing:** observe the type, style, messages, and symbols on the clothing

**Artifacts:** notice jewelry, tattoos, body piercing, hairstyles, and make-up

**Gestures:** watch facial expressions, hand movements, eye contact, posture

List at least five people and each method that person used. Try to find examples of each method. Describe the meaning each of these methods of communication has for you.

### Communication Observations

M = male F = female	Clothing, Artifacts Gestures, Tone of Voice	Meaning for you



A message must be sent and **received** for communication to have taken place.



## eXPERIENCE

- How easy was it to determine what people are trying to communicate?
- Were verbal or non-verbal messages easier to interpret?
- Were more people sending or receiving messages?

## eXPLORE

- How can you tell what non-verbal message is being sent?
- What are some reasons people of different generations may find it more difficult to communicate?

## eXTEND

- From your observation of others, how well do you think you communicate?

## eXPAND

- Because of your observation of communication by others, how will you change how you communicate to become a successful entrepreneur?

## MORE e

1. Observe communication in your home. Do people use as much or more non-verbal communication compared to those in public? How well do people understand one another's non-verbal communication in the home? Is it easier or more difficult to communicate with people you know well? Discuss with your helper.

*"One of the major causes  
of conflict is communication.  
For conflict to cease,  
all communication must cease."*

James C. McCroskey and Virginia F. Richmond

2. Reflect on how you communicate when you're calm versus how you communicate when you're excited or upset. What can you do to prevent negative communication with another person when you are feeling angry?
3. Reading non-verbal communication is very important in the business world. Are the customers interested or bored? Do they just want to browse or are they ready to buy? Is your sales talk effective or is it turning them off to your idea?



- artifacts
- non-verbal
- verbal

*What do  
you think  
I mean?*



*All communication has meaning.*



# Meet the Press

It is important to use every aspect of marketing that is available to you. Developing a relationship with the **media** is one way to promote your business. The media can turn your business into a lead story. The connection between the press and the public allows for incredible networking about you and your efforts.

The media is always looking for unique stories about special people. If you can identify what you have as “different” and express it in a distinctive and interesting manner, you are a long way toward meeting the press and getting free publicity.

1. You are a youth that is trying to do something positive.
2. You have developed or are developing a business idea that is unique.
3. You are outgoing and able to get excited about your business. The excitement is contagious and something ALL people want to see!
4. You are a youth who is operating a small business and utilizing local resources. You need them and they need you!

WHAT'S IN  
IT FOR M<sup>e</sup>

Write a press release and contact the media about your business.

**Entrepreneur Skill:**

Marketing your business

**Life Skill:**

Problem solving: Selecting a strategy

**Educational Standard(s):**

Apply knowledge of language structure, language conventions (e.g., spelling and punctuation), media techniques, figurative language, and genre to create, critique, and discuss print and nonprint texts.



## eACTIVITY

1. Develop a **press release** for your business goods or services. A press release includes

- Who • What • Where
- When • Why or how?

### FOR IMMEDIATE RELEASE

2. Make an appointment with a news reporter at the local newspaper. Show the person your press release and ask him/her to critique your article. Record the comments and use them to improve your marketing approach.



## eXPERIENCE

- What do you want people to know about your business?
- What did you write about your business that would make it stand out from others?
- How did you identify which media to use for your press release?

## eXPLORE

- What kind of reactions did you get about your business from the media?
  - How did writing a press release help you know your business?
- 
- 
- 

## eXTEND

- How do you feel the media coverage did or could help with the development of your goods or services?
  - What aspects of your business would you emphasize more in the future with press releases?
- 
- 
- 

## eXPAND

- How could you use this experience to build a marketing strategy for other media such as radio and television?
  - What differences would you expect to find between different methods of marketing?
- 
- 
- 

## Press Release

Press releases are a great way to build awareness for your company and products. A well-written press release can get your name in front of hundreds of potential customers and help build a reputation for your company in the business community.

Your smile  
says a lot!



# MORE e

1. Conduct a detailed study of the marketing techniques of a particular small business. Evaluate the different forms of media used and the response generated from each outlet.
2. Help another business or organization write press releases to market their products or services.
3. Explore the possibilities of marketing using other forms of media. Discuss with your helper.



# Customer Service and Social Sensitivity

It cannot be over emphasized how important it is to have good business relations with all of your customers. People like the personal touch; the feeling that they are important to you; the idea that you are in business to meet their needs. Good customer service is a priority if your business is to succeed. The success of your future business will depend on your ability to make all people welcome.

In today's world, your customers may have special needs. It is up to you to be prepared to go the extra mile in meeting those needs. This may include the handicap access in your place of business, a way to overcome a language barrier and sensitivity to cultural differences. It goes a long way just to have people know that you are interested in them and willing to work with them whatever situation exists. A business is built on repeat customers, on people returning because they are satisfied with your service. You need to be genuinely interested in serving people.

## WHAT'S IN IT FOR ME

Identify cultural differences and special needs of potential customers.

**Entrepreneur Skill:**  
Serving the public

**Life Skill:**  
Social skills: Cultural competence

**Educational Standard(s):**  
Demonstrate an understanding of the relationship between the products and perspectives of the culture studied.

*Treating everyone with respect.*



## eACTIVITY

You have already given thought to the potential customers you hope to target. In the left column of this chart, list special **challenges** of individuals or groups in your community. In the center column, list characteristics of those individuals or groups that you made need to consider. In the right column, write how you will demonstrate your respect of their challenges, **cultural norms**, and **expectations**.

If possible, interview individuals representing each group. Explain your product or service and your plans for your business. Ask if there are things you need to be sensitive to and how best to relate to members of their community.

Group	Characteristics; cultural norms and expectations	How I will prepare for customer service



• challenge • cultural • diversity  
• ethnic • expectations • norms



## eXPERIENCE

- How did you feel as you talked with people representing different groups about their expectations for your business?
- What is most difficult about working with people who have cultural or ethnic differences different from yours?
- What is the most important thing you learned about customer service?

## eXPLORE

- What information did you discover that could be helpful to you in making your product or service meet the expectations of potential customer groups?
  - Why do you need to be sensitive to culture, ethnicity, age, and other differences of people in your community?
- 
- 
- 
- 

## eXTEND

- Describe another situation in which it would be helpful to you to find out more about the unique preferences of particular groups.
- 
- 
- 
- 

## eXPAND

- How might your business plans, product, or service be modified to better meet the needs of other groups in your community?
  - How will you instruct your employees to respond to people with special needs?
- 
- 
- 
- 

## Recognizing Cultural Diversity

Be aware of the varied population in your community. Every neighborhood can be a unique mix of people, and you need to be familiar with your customers. Learn to appreciate the differences among people and the enrichment that comes from ethnic and cultural **diversity**. Even if you feel uneasy because you don't know their language or understand their needs, if you appear interested and truly care, people will recognize your concern.

Cultural traditions determine to some extent what people eat, how they dress, goods they purchase, and the kinds of settings in which they are comfortable. Did you know that there are even cultural differences in how close together two people stand while they are talking together? Arabic and Native Americans, for example, tend to stand closer to each other than Europeans and White Americans. Those who succeed as entrepreneurs, long-term, are those who best understand their customers and are sensitive to customer norms and expectations.

You may also have customers who are demanding, who try your patience in every way. Just remember that it is better to go out of your way to help them, to overlook their behavior, and remember that every person has worth.

## MORE e

1. Talk to an entrepreneur in a business similar to what you have in mind. Ask him or her about any special efforts needed to make sure to show respect and courtesy to members of groups other than your own.
2. Make a list of how you might act differently in your business as you deal with a) teenagers, b) parents, c) senior citizens. How might you act differently if the customer is of the opposite gender?
3. Develop a statement for customer service that you will use for your business.



## WHAT'S IN IT FOR ME

Have you ever signed a contract or some type of agreement with someone? Entrepreneurs have learned that, if it can be misunderstood, it will be. Even best friends and family members can disagree. Problems occur when people have different expectations or are unclear about what is expected. Here is your opportunity to write a contract.

You will need to know how to use and what should be included in a contract before you do any business. To practice writing a contract pretend that a friend has asked to borrow \$300.00 from you to start her own business. What would you include in a contract with your friend? You'll want to consider important questions to ask your friend before drafting the contract. Examples might include what names should be on the agreement; how will the loan be used; what experience, skills and resources does your friend have; and how and when will you be repaid? In the space provided include the major points you would want in the contract. Share your contract with your helper.

*This is really  
going to  
cost us.*



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	52
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## eXPERIENCE

- How did you feel about being asked to loan your money?
- How would you protect your investment?
- What does a contract do?
- What did you include in your contract?

## eXPLORE

- How important is it to know the risk you are taking by loaning your money?

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## eXTEND

- How secure do you feel about the contract you wrote?
- When, other than in your business dealings, will you want legal agreements?

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## eXPAND

- How does having responsibility details in writing help friends stay friends in business?
- What are the advantages of having a legal contract between two or more parties doing business?

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*A contract is a promise, your word  
given to do what you say you will do.  
Your word should be your bond.*

## Partnerships and Contracts

Contracts are promises that the law will enforce. The law provides remedies if a promise is broken, and recognizes that keeping a promise is a duty. For the law to consider a promise a contract, the people making the promise must be competent and the promise must be in exchange for something of value called a "consideration."

When people form partnerships with the idea of running a business or completing a project together, it is very important to know what each person will do and when they will do it. Knowing each person's skills, and what each one brings to the partnership, is extremely important.

Consider the resources that each person brings to the partnership and how they will be **shared**. Resources can include money, materials, tools, space, knowledge, time, skills, and talents. Be sure everyone knows what resources can and cannot be used in the partnership.

It is important to spell out in detail each person's responsibilities and have it written into a **legal** document called a **contract**. Another important word to remember in successful partnership is **equity**. Everyone will want to believe that they are being treated equally and fairly.

## MORE e

Write a list of qualifications for selecting your business partners and why you think those points are important.

## e Words

- binding agreement
- contract • equity
- legal • shared

*Don't wait for your ship  
to come in.  
Swim out to meet it.*



# Should I Hire Dad?

It is sometimes necessary to hire others to help you with your business. You will learn the process for hiring employees. You might first look to hire someone you know well, like a family member or best friend. Hiring is an important decision that may determine the success of your business. You first must consider your needs, and what skills a person would offer to your business. Most established businesses make the best decision by writing a job description **classified ad** for the paper and **interviewing** potential candidates.

## eACTIVITY

Advertising in a newspaper can be costly so keep your ad to 75 words or less. Think about the most important information you want to get across to find the perfect person for the job. Review job descriptions in the Help Wanted section of your local paper and on Web-based employment sites. Using similar business terms for skills and experience needed, create an ad for the position you may want to fill.

Make a list of things to include. Consider what job you want your employee to do.

Write your ad here.

## WHAT'S IN IT FOR ME

Write a classified help wanted ad.

### Entrepreneur Skill:

Hiring/selecting the right employee for your business

### Life Skill:

Decision making: Gather information

### Educational Standard(s):

Understand that entrepreneurial decisions affect job opportunities for other workers.

## Help Wanted



## eXPERIENCE

- What type of person do you hope to attract with your ad?
- What qualifications do you consider most important?
- Did your ad clearly express what you intended?

## eXPLORE

- Why is it important to clearly describe what you want?
- What information about the applicant can you not ask?
- What criteria will you use to evaluate potential employees?

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## eXTEND

- How has writing an ad changed the way you look at other classified ads?

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## eXPAND

- How would you write business ads for other business needs?
  - Searching for a piece of equipment you might need
  - Looking for space to house your business
  - Marketing your product or service

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We got the  
right person  
for this job.



## Business Laws

There are many laws related to employing others. Check with your state's Department of Labor for details of laws in your state.

## MORE e

1. Check with your local paper to find out how much your ad would cost.
2. Have several people read your ad, tell you if it has all the information they would want about your business, and whether they would apply for such a job.
3. Once you have created and published an ad for your business, applicants will call. Develop a list of interview questions that you would ask a person during an interview. You will want to find out whether the applicant has the qualifications you need and is someone with whom you can work. Check with your state's Equal Employment Opportunity Commission (EEOC) for laws relating to employment.
4. Find someone on which to practice your interview questions.



# Who Gets the Credit?

Have you seen your parent or other adult use a **credit** card to buy something? Do you know how credit works and when the **bill** is paid? The credit card company usually charges a fee, or interest, if the bill isn't paid in full by the billing date, usually in about a month. This interest rate, or cost for borrowing money, is also determined by the **credit history** of the user.

WHAT'S IN IT FOR ME

Use credit wisely.

#### Entrepreneur Skill:

Building a positive credit history

#### Life Skill:

Wise use of resources: Money management

#### Educational Standard(s):

Understand personal money-management concepts, procedures, and strategies

## eACTIVITY

Take the Credit Trivia challenge to see how much you know about credit. Circle whether you think the statement is true or false.

### Tips for using a credit card:

- Keep all receipts and track each purchase on your bill.
- Don't charge anything you can't pay for that month, except in emergencies.
- Try to pay off your balance each month; at least pay more than the minimum payment each month.
- Don't depend on your parents to pay your bills.

### Credit Trivia

1. The average American charges about \$4,500 a year.	True	False
2. VISA is used about 1,000 times a minute at December holiday time.	True	False
3. The average weekly allowance is \$5.00 per child.	True	False
4. It will take over eight years to pay off a \$1,000 balance payment if you make minimum payments.	True	False
5. Angry creditors can mar your credit record for seven years.	True	False
6. Angry creditors can harass you and tell your boss if you owe them money.	True	False
7. If a bank repossesses your car and sells it, you may still owe them money.	True	False
8. Over a million consumers filed for bankruptcy in 2002.	True	False
9. Bankruptcy wipes out debts such as student loans and child support.	True	False
10. Seventy percent of consumers live from paycheck to paycheck with little or no savings.	True	False
11. Bankruptcy stays on your credit report for five years.	True	False
12. Every month 300,000 people pay their bills late.	True	False
13. Credit bureaus determine if you have a good credit rating.	True	False
14. Legally, anyone can get a copy of your credit report.	True	False



• bill • collateral • credit • credit history • security



## eXPERIENCE

- How do you feel about using credit?
- Did you know that it could cost you extra money to use a credit card?

## eXPLORE

- Why is it important to know about credit?
- When do you think the use of credit is good?
- When might credit not be a good thing?

## eXTEND

- Where could you go to get credit for starting your business?
- How would you feel about asking to borrow money?

## eXPAND

- How will you start building a good credit history?

Keeping an  
eye on your  
line of credit.



## Using Credit

Using credit is borrowing money. Credit allows you to buy goods or services today with the agreement that you will pay for your purchases at a later date. As a business owner, you may have to purchase your supplies using credit until you have enough sales to pay for the supplies. You may also have customers that will want to use credit to pay for your product or service. Your credit history, the record of how you pay your bills, will be on file all your life. It is critical to start building a good credit history when you are young. Credit can be a good thing if used wisely.

**Collateral** is identified as **security** on a loan. It is something the borrower owns that is worth about the same amount as the loan. This means that, if the borrower does not repay the money that is borrowed, the lender may take the collateral.

Your credit history will affect how much you will be charged for loans and interest. It affects your ability to buy a car or a house. It will also be used to determine how much you may be charged for automobile insurance. Your credit history may be checked and used when you apply for a job.

## MORE e

1. Develop a loan proposal that outlines how much money you would like to borrow for your business. Remember to say what the money will be used for, how you will pay it back, and what you have of value to secure the loan.
2. Call or visit a local banker. Ask how much they charge for different kinds of loans such as those for a home mortgage or a business. Ask the banker to review your loan proposal and make any suggestions for changes that would improve your chances of getting a loan. Ask how your credit history affects the cost of a loan.
3. Ask one or two adults how much the interest charge is for the credit cards they use. Find out if there are any fees charged by the company for the use of the card other than the interest. Discuss with them what kind of purchases they make with the cards, and how they make payments on the balance.



# Be a Legal Eagle

An entrepreneurial venture must abide by the same regulations and laws as does any other business. A potentially successful business can be stopped at any point if the entrepreneur does not take care of legal matters. Some issues you must be concerned with include

- Permits
- Licenses
- Trademarks
- Copyrights
- Patents

A business with these documents completed will have **legitimacy** and security in the corporate world. It is important to know all the legal requirements for your business.

Should I  
get a  
patent on  
this?



## WHAT'S IN IT FOR ME

Identify legal concerns for your business.

### Entrepreneur Skill:

Protecting businesses under the law

### Life Skill:

Planning/organizing: Identify the parts, steps, and necessary order

## eACTIVITY

1. Look up the following terms and write their meanings to gain an understanding of their differences.
2. Conduct research on your business and note those you will need to have.
3. Use the Internet to learn where you obtain the necessary permits, licenses, trademarks, copyrights, or patents for your business. Enter into the chart.

Type	Definition and Source	Needed by Your Business	Where Obtained	Approximate Cost
Permit				
License				
Trademark				
Copyright				
Patent				





## eXPERIENCE

- Why is it difficult to identify and locate the information you need on legal issues?
- What websites and/or other sources were most useful?

## eXPLORE

- Why is it important to have the necessary and proper permits, licenses, trademarks, copyrights or patents?
- With whom could you consult to determine the legal protection your business needs?

## eXTEND

- In what other areas in your life might you need permits, licenses, trademarks, copyrights or patents?
- Why does government regulate business?

## eXPAND

- What will you do to prepare for the legal issues you face as a business owner?
- Why is it important to complete the legal details before you actually begin your business?

## Business Laws

The Federal Government, your state and city governments may each have different laws to regulate businesses. Consult an attorney and a Certified Public Accountant (CPA) when deciding which laws are important to your business and how you will meet your obligations under those laws.

Legal protection for your business costs money. An attorney or CPA may donate or reduce the cost of their services to a young entrepreneur, but the legal documents will have fees.

## MORE e

1. Talk to a local entrepreneur and discuss the permits, licenses, trademarks, copyrights or patents s/he currently holds.
2. Start a list of legal documents your business may need to operate legally. Investigate the current costs for each. Enter approximate costs into chart on page 66.

Yes, I have  
a permit  
to operate  
this  
equipment.



Just  
checking!



# Level 2 Entrepreneurship Post- then Pre-Evaluation

On the following scale, 4 is high and 1 is low. Rate what you know about that subject now that you have completed Level 2 of the project. Circle N/A if that particular information was not included. Please circle your answers in each column.

What is your understanding of...	Now—After Completing Level 2	Back—Before you Started Level 2	I Plan to Use This Within Six Months
1. Building a positive credit history	4 3 2 1 N/A	4 3 2 1	Yes No
2. How to use credit wisely	4 3 2 1 N/A	4 3 2 1	Yes No
3. The common sense approach to economics	4 3 2 1 N/A	4 3 2 1	Yes No
4. The meaning of your non-verbal communication	4 3 2 1 N/A	4 3 2 1	Yes No
5. Connecting your assets to potential business and community opportunities	4 3 2 1 N/A	4 3 2 1	Yes No
6. The importance of documentation and record keeping	4 3 2 1 N/A	4 3 2 1	Yes No
What is your ability to...	Now—After Completing Level 2	Back—Before you Started Level 2	I Plan to Use This Within Six Months
7. Identify a name for your business	4 3 2 1 N/A	4 3 2 1	Yes No
8. Create a recipe for producing a product or delivering a service	4 3 2 1 N/A	4 3 2 1	Yes No
9. Market/advertise yourself	4 3 2 1 N/A	4 3 2 1	Yes No
10. Gather information on products similar to yours	4 3 2 1 N/A	4 3 2 1	Yes No
11. Use the Internet to research your business idea	4 3 2 1 N/A	4 3 2 1	Yes No
12. Hire help	4 3 2 1 N/A	4 3 2 1	Yes No
13. Identify which customer needs/wants your product or service would meet	4 3 2 1 N/A	4 3 2 1	Yes No
14. Investigate whether the world of online business would work for you	4 3 2 1 N/A	4 3 2 1	Yes No
15. Develop a press release and contact the media about your business	4 3 2 1 N/A	4 3 2 1	Yes No
16. Identify legal concerns for your business	4 3 2 1 N/A	4 3 2 1	Yes No

17. My two favorite parts of Level 2 were: \_\_\_\_\_

\_\_\_\_\_

18. One thing I will use right away is: \_\_\_\_\_

\_\_\_\_\_

19. My least favorite activities in Level 2 were: \_\_\_\_\_

\_\_\_\_\_

20. Any additional comments you would like to make about Level 2: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_





# Do it!



Planning Your  
Business

**LEVEL**

**3**



# Contents Level 3

# Do it!

**Welcome** to the third level of BE THE *e*, where you will continue learning how to become a successful entrepreneur. By doing all the activities, you will gain many more necessary skills that you will use as you put your ideas to work for you in business. Review the learning goals you set for yourself at the beginning of the series and note your progress toward meeting them.

Level 3, *Do it!*, follows the same format as *Love it!* and *Plan it!* First, attempt to complete the activity independently. Do as much as you can. Think about the questions and discuss them with your helper. If you are a member of a group, you will share your learning with others and also learn from them. The more you think about the questions that follow the activity, and use them to clarify and expand your ideas, the more valuable your learning experiences will be.

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Level 3 **Do it!**

## My Entrepreneur Project Goals

Name

What I want to do and learn in this project.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_



## Do it! Highlights

Date and list the most fun and interesting things you did in this project.







# Level 3 **Do It!** Achievement Program

## Guidelines

1. Do at least seven of the *Do It!* and **MORE e** Challenges activities each year.
2. Complete at least 21 of the *Do It!* and **MORE e** challenges activities within three years to complete this achievement program.
3. Have your Project Helper date and initial the activities as you complete them and discuss them.

<b>Do It!</b> Activities	Date Completed	Helper's Initials
Can I Make the Best Better?		
Will Someone Buy It?		
YOU are the Most Important Marketer		
Being Nice, Does It Pay?		
How Much Do I Charge?		
Will I Make It?		
Cash Flow Woe		
Four Ways to Get Money \$\$		
The Tax Collector Cometh		
Know When to Hold, Know When to Fold		
Doing the Right Thing		
Be a Community Hero		
Who Pays for My Mistakes?		
Give Back		
How Good Can It Get?		
Do the Plan (Business Plan)		



Select and do any of the **MORE e** activities in *Do It!* or make up your own. Record the page and number of each one you complete and get your Helper's initials.

Page	#	Date completed	Helper's initials

Describe your own activity here:

Date \_\_\_\_\_ Helper's initials: \_\_\_\_\_

Describe your own activity here:

Date \_\_\_\_\_ Helper's initials: \_\_\_\_\_



# BE THE *e* Entrepreneurship

\_\_\_\_\_  
Name of Recipient

has completed all requirements of  
Level 3, *Do it!*  
in the BE THE *e* Entrepreneurship Series.

\_\_\_\_\_  
HELPER'S SIGNATURE

\_\_\_\_\_  
DATE



Place a picture of you  
and your Do it!  
project here.





# Can I Make the Best Better?

Do you ever wonder where people get ideas for a business? Sometimes an idea just happens and you think, "Wow, I could make money at this!" Another way is when you have a problem and you come up with a solution for it. If other people have a similar problem, they might pay to have your solution. Not all ideas are good market opportunities, however. The big question is, "How do I know if my idea will sell?" An **opportunity evaluation** can help answer the question.

Turn a 4-H Project into a market opportunity.

### Entrepreneur Skill:

Evaluating opportunity

### Life Skill:

Problem solving: Identifying solutions

### Educational Standard(s):

Economics: Gain knowledge of supply and demand.

## eACTIVITY

Are you enrolled in, or are you interested in, other 4-H Project areas? Have you ever had a problem with a project that you solved by coming up with something new, or a new way of doing something that is better? Have you considered ways you could turn that solution into a market opportunity? Explore below other 4-H project areas of interest to you that might be turned into a business.

- What 4-H project or special interest in which you are involved might become a business opportunity?

- List several problems you have with that project or special interest that might have a solution.

- How could that solution become a product or service you could market?



Take two of the problems you have identified and explore them further.

### Problem #1

Clearly identify the problem as you see it:

1. One solution to the problem might be: \_\_\_\_\_

2. Another solution to the problem might be: \_\_\_\_\_

What market opportunities could be created by this problem?

### Problem #2

Clearly identify the problem as you see it:

1. One solution to the problem might be: \_\_\_\_\_

2. Another solution to the problem might be: \_\_\_\_\_

What market opportunities could be created by this problem?



## eXPERIENCE

- How difficult is it to identify possible business ideas?
- What did you find to be most interesting about exploring possibilities?
- How does it feel to be identifying solutions to problems?

## eXPLORE

- What is the difference between a good idea and a market opportunity?
- How has this activity made it easier for you to identify market opportunities for your special interest projects?

## eXTEND

- How can you apply what you have learned to considering your 4-H Projects as a possible market opportunity?
- With more people having access to the Internet what market opportunities do you see in using the Internet?

## eXPAND

- What can you apply from this activity to help promote your 4-H Project as a business?
- What steps will you take to determine whether your idea is a possible market opportunity?

I turned my  
4-H project  
into my  
college  
fund.

Tomatoes  
into dollars!



## Entrepreneurs are Problem Solvers

Most people can see what's wrong in the world and often stop at identifying the problem. Entrepreneurs recognize the problem, then move past the problem by seeing the solution as a possible market opportunity.

## MORE e

1. Use the telephone book and Internet to estimate the numbers of businesses related to your 4-H Project.
2. Design a business name and logo for your 4-H Project that would help people identify your 4-H Project as a type of business.



# Will Someone Buy It?

By now you have completed an assessment of your community's business resources and needs. You have also identified your business idea based on your assessment. This activity helps you design a **marketing plan** that assists in identifying potential customers for your business.

You will:

- research three marketing strategies
- describe three marketing strategies
- develop task(s) and timelines to complete a market plan
- demonstrate/apply two of the marketing strategies in their business plan
- make the connection between developing a market plan and identifying potential customers.

## eACTIVITY

- Using your search engine, key in the words "marketing strategies." Select several from the list that are of interest to you.
- Go to the websites and identify several types of marketing strategies (interviews, surveys, questionnaires, word-of-mouth, etc.
- Select marketing strategies for your business.
- Identify and implement two or more marketing strategies that determine **competition**, pricing, value of your product/service, target customer, **promotion**, and sales. You can draw, use a computer or any other method to present your marketing plan.

- Go over your plan with your helper.
- Develop **tasks** to be done, and **timelines** for completing each marketing strategy.
- Record your plan on the data sheet below.



## WHAT'S IN IT FOR ME

Design a marketing plan.

### Entrepreneur Skill:

Determining who will buy your product.

### Life Skill:

Problem solving: Gathering information

### Educational Standard(s):

Identify how the pursuit of self-interest in competitive markets generally leads to choices and behavior that also promote the national level of economic well-being.

Marketing Strategy	Task(s)	Timeline for Completion



## eXPERIENCE

- What marketing strategies did you choose?
- How did you decide which marketing strategies you would use?
- How did it feel to develop and implement the marketing plan?
- How would you describe your marketing plan?

## eXPLORE

- Why is it important to develop a marketing plan?

## eXTEND

- How do you like to be viewed by others at home? At school? In your community?
- How do you market (portray or represent) yourself in these social groups?

## eXPAND

- Marketing is advertising the good points or benefits of yourself and your business. List three ways you will use to market yourself as an entrepreneur.

## Conducting a Marketing Survey

Will your product sell? Conducting a market survey is the first step in finding out. **Demand** is an important economic concept. It refers to the way consumers believe they will act in purchasing products during some specified time period. Demand also refers to the range of alternative prices. A market survey must specify the time period (week, month, year) and ask how many units of your product your potential customers would purchase if the price were (A). How many would be purchased if the price were (B)? How many at price (C)? Consumers tend to demand more of a product at lower prices, and less of it at higher prices. The larger your sample size for the survey, the more confidence you can have in the results.

As you plot (A) and (B) and (C) on a graph and connect the points with a curve, demand is represented by the entire curve, not any single point. Until something in the situation changes, any movement of demand will be along that curve. But when preferences change, or your customers have more money to spend, or a substitute for your good or service is introduced, or your customers change their expectations for the future, then the entire demand curve changes.

## MORE e

Research other sources such as entrepreneurship magazines that offer marketing strategies for potential business opportunities. Compare what you read with what you found online.

- Where did you find the most useful information?
- What was the most useful information you found?



Word of  
mouth is  
the best  
marketing  
tool.

- e Words**
- competition
  - demand
  - marketing plan
  - promotion
  - tasks
  - time lines



# YOU are the Most Important Marketer

You have developed a business plan and spent a lot of time editing and revising it. Now it's time to present it. How do you convince people that your business plan is worth their time, effort and resources?

*It's hard work, but I like owning my own business.*



WHAT'S IN IT FOR ME

Create a presentation to advertise your business.

## Entrepreneur Skill:

Marketing your business ideas

## Life Skill:

Effective communication: Speaking

## Educational Standard(s):

- Conduct research on issues and interests by generating ideas and questions, and by posing problems.
- Gather, evaluate, and synthesize data from a variety of sources (e.g., print and nonprint texts, artifacts, people) to communicate discoveries in ways that suit the purpose and audience.

## eACTIVITY

1. Imagine you have a minute or less to present your business idea before a financial officer to ask for funding. Think about ways to effectively present your idea. Consider the tone and volume of your voice, your gestures and your appearance. Outline your presentation below by including the points you think are important and how you would make them.
2. Make your presentation to your helper or other adult and ask them to **critique** your work. Make notes so you can improve your presentation.
3. In the following chart, write what you think people like about you, and what you like about yourself.

## My Business Plan

What people like about me	What I like about myself

4. How do you think being liked will help you market your business idea?

---



---



---



---



---



There is **no** second chance for a first impression.



## eXPERIENCE

- Did it feel as if you were presenting yourself or the business idea in your presentation? Explain.
- How did you decide what points to include in your presentation?

## eXPLORE

- Why is it important to present your business in a professional way?
- If your business idea is good enough, why does it matter how you speak and dress when making your presentation?

## eXTEND

- In what other situations do you have to present your ideas in a professional way?
- Remember a time when someone presented their ideas to you. Were they effective? Why or why not?

## eXPAND

- What speaking skills will you need to develop to make a stronger presentation in favor of your business idea?
- How will you present your own business idea to a financial officer or other professional?

*Good customer service...that's one of the keys to a successful business.*



## Marketing Appeals

Once you have your target market identified, and you understand the characteristics of your potential customers, the name of the game is convincing your customers that they really have to use your product or service. There are several categories of marketing **appeals** that can help you make the sale.

- **FUN/PLEASURE:** gives you excitement and enjoyment; brings your family together; helps you make friends
- **STATUS:** everyone is getting one; important people use it regularly; improves your performance
- **ATTRACTIVENESS:** makes you look nice and/or feel good; look more mature (or younger)
- **PRICE/HIGH OR LOW:** more for your money; you deserve the very best
- **QUALITY:** best product on the market; unlimited warranty

## MORE e

1. With the assistance of your helper or other adult, contact a local entrepreneur. Explain that you are a young entrepreneur. Ask to present your business plan for critiquing. Ask that the critique consider how effectively you present your idea as well as the business plan itself.
2. Discuss with your helper how your dress and your conduct reflect on how people view you, and on the future success of your business.

**Words** • appeals  
• critique

*The first impression is the last impression!*



# Being Nice, Does it Pay?

**Customer service** is essential to business success. It does not matter what business you are in. You need to be there for your customers.



The customer is always right.

WHAT'S IN IT FOR M<sup>e</sup>

Develop traits that are important in customer service.

**Entrepreneur Skill:**

Analyzing customer satisfaction

**Life Skill:**

Relating: Social skills

**Educational Standard(s):**

Adjust the use of spoken, written, and visual language (e.g., conventions, style, vocabulary) to communicate effectively with a variety of audiences and for different purposes.

## eACTIVITY

This chart shows some common traits of good customer service. Remember that **customer service = customer satisfaction**. Read through the traits. Write an example in each blank of how your business will fulfill this trait of good customer service, or how you have used this trait in the past.

Customer Service Traits – The What	Customer Satisfaction – The How
Provide the product to the customer	
Stay focused on customer needs	
Listen to your customers	
Assist in solving problems	
Apologize when something is wrong	
Appreciate your customers	
Be flexible	
Use a sense of Humor	
Have fun solving problems	
Enjoy a challenge	
Keep up with current trends	
Be a hard worker	
Build and maintain relationships	
Organize and plan	
Be knowledgeable	
Deal with criticism	
Know the competition	



- customer service • customer satisfaction
- bottom-line profits

Customer Service =



## eXPERIENCE

- How did you come up with ideas in the chart to improve customer satisfaction?
- Which ones were the hardest for you?

## eXPLORE

- Why do you think customer satisfaction depends upon customer service?
- What areas of customer service do you think you need to work on the most?
- What do customers do when customer service at a business is poor?

## eXTEND

- How will improving your people interaction skills in social situations also improve your customer service skills for your business?

## eXPAND

- How do good customer relations improve your businesses' bottom line profits?
- How will having better customer service in business help you in other parts of your life?
- Which areas of customer service will you work on improving first?

## Customer Service

By serving your customers well, you can form and change the image of your business. Keys to remember:

- Be nice
- Answer customer calls and complaints within 24 hours
- Know your business and what the customer wants
- Meet deadlines
- Fill orders quickly
- Show respect and appreciation to your customers

Without customers you would not be in business. The way in which you interact with people, both before and after the sale, is extremely important to your bottom-line profits. Having excellent customer support can bring in more customers and more business for you.

Business contracts or receipts, which both you and your customer sign, will also help prevent misunderstandings. This provides evidence of the transaction and just what the agreement was.

## MORE e

1. One way to find out if you customers are satisfied is to survey them. Reflect back to the activity and think about what would be important to your customers in your business. Develop a five-question survey that you could give to customers to find out if you are meeting their customer needs. List the questions.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Collect three to five customer service survey cards from restaurants, motels, or other businesses. Compare their questions with the list you made above.



# How Much Do I Charge?

How much do you think your product or service is worth? Many new business owners either underprice or overprice their product or service. You have to determine how much it costs you in materials (cost of goods, time, labor, and **overhead**) to make, sell, and deliver your product/service. These are called **fixed** and **variable expenses**. You will need to check out how much other businesses in your area charge for products that are the same or similar to yours. Your final price needs to cover what it costs you, plus a **markup** that gives you a reasonable **profit**, and still provides your customers the feeling that they are getting a good deal.



*M*aking a profit in business always starts with correct pricing.

— Steve Mariotti, NFTE

## eACTIVITY

The first goal you have to reach as a start-up business owner is the **break-even point**, where your income from sales or service pays for the expenses of producing the product or providing the service. Before you can determine your break-even point, you have to determine the cost of goods per unit. For example, how much does it cost you to make one chocolate cake or how much does it cost you to mow one lawn?

Use the chart to determine this cost. Remember to write down everything it takes for you to get your end product or service. Include all your **raw materials** or ingredients. Don't forget to add the cost of gasoline and oil for the lawnmower if you have a lawn-care service! You may have to dig a little deeper to estimate costs for your competition.

### Determine the Selling Price for a Product

Ingredients (for one unit)	My Costs	Competition's Costs (if known)
Raw materials		
Equipment		
Supplies		
Shipping		
Total cost of goods		
	My Selling Price	Competition's Selling Price
Selling price = Total cost of goods x 2		

### Determine the Selling Price for a Service

(Your hourly rate) x (Time it takes to do the job)

+ Costs for equipment and supplies = Selling Price \$ \_\_\_\_\_

Use this selling price in Part VI of your business plan on page 111.

# WHAT'S IN IT FOR ME

Determine the selling cost of your product or service.

#### Entrepreneur Skill:

Learning the principles and concepts of setting your price

#### Life Skill:

Decision making: Gathering and applying information

#### Educational Standard(s):

Describe the concept of price.



## eXPERIENCE

- How is the calculated cost of your product or service the same as, or different from, what you expected?

## eXPLORE

- Why is it important that you know how much it costs you to make your product or perform your service?
- Why is it important to have accurate information when figuring the price?

## eXTEND

- What is your opinion about markup on things you buy? Consider what you now know about pricing a product.
- Why is it helpful to estimate your competition's costs vs. selling price?
- How can knowing your selling price help you with planning for your business?

## eXPAND

- What additional information do you need to know before you can set the price for your product or service?
- What could you do to your product/service to charge more than your competition, yet set a price your market will pay?



**Author:** Ann A. Berry, Ph.D., M.B.A., Assistant Professor, Family Resource Management, Louisiana State University Ag Center Cooperative Extension Service

## Setting the Selling Price

The National Foundation for Teaching Entrepreneurship (NFTE) suggests doubling the cost of goods to get your selling price.

Keeping good records is required for good business management.

A young entrepreneur can use the rule of thumb of charging 25–30% less than a professional competitor.

The market price can sometimes be manipulated. For example, DeBeers Diamonds controls the vast majority of the world's diamonds. Only enough are released for sale at any given time to keep the price consistently high. The rest are kept in storage, and are distributed for sale when the demand is greater than the supply.

## MORE e

1. Check available rental facilities in your community that might be suitable for your business. Compare at least three possibilities as to amount of rent, size of area, cost of utilities, distance from home, and any other suitable criteria. Make a comparison chart and discuss with your Helper.
2. Interview at least three business people in your community and determine the wages paid for the type of labor you would hire. What is the availability of workers? What responsibilities would you have for paying benefits such as social security and insurance?

## e Words

- break-even point
- fixed expenses
- markup
- overhead
- profit
- raw materials
- variable expenses



# Will I Make It?

One of the first questions an entrepreneur will want answered after deciding on an idea for a business is, "Will I make it?" Will enough people want my product/service, and will they pay enough, for me to do it? How do I plan for my expenses, and how much profit will I make?

Entrepreneurs have learned that a continuing review of **budgets** and **operating expenses** is vital to their survival. Your **business plan** has two main functions.

1. Provide a clear and concise blueprint of your business so you will know its strengths and weaknesses.
2. Provide clear and concise communication about your business to your sources of **capital**.

*We've worked out the numbers for our operating budget.*



Complete the financial information worksheet below and enter into Part VI of your business plan on page 111.



Budget your business expenses.

## Entrepreneur Skill:

Recording financial information

## Life Skill:

Managing: Keeping records

## Educational Standard(s):

**Math:** Use mathematical notation and language to describe, discuss, and solve real world situations.

**Economics:** Understand how economic decisions require informed choices.

**Technology:** Use a spread sheet to update, add, and delete data.



## Expenses for Starting the Business and Initial Operation

Start-up costs		Initial Operating Expenses (4 weeks)			
Rent	\$ _____	Salaries	\$ _____	x 4 =	\$ _____
Equipment and tools	\$ _____	Rent	\$ _____	x 4 =	\$ _____
Opening inventory	\$ _____	Advertising	\$ _____	x 4 =	\$ _____
Advertising	\$ _____	Office supplies	\$ _____	x 4 =	\$ _____
Office supplies	\$ _____	Fees and licenses	\$ _____	x 4 =	\$ _____
Fees and licenses	\$ _____	Misc. expenses	\$ _____	x 4 =	\$ _____
Misc. expenses	\$ _____				
<b>Total Start-up Cost</b>	<b>\$ _____</b>	<b>Total Initial Operating Expenses</b> \$ _____ (Monthly)			

Go to page 111 and fill in Part VI, Financial Information of your business plan.



- budget • business plan • capital
- cash flow • miscellaneous expenses
- operating expenses • rent • salaries



## eXPERIENCE

- What is the total of both your start-up cost and your initial operating expenses for one month?
- What was most difficult about arriving at the amounts to enter in the worksheet?

## eXPLORE

- What surprised you most about the cost of starting a business?
- Why is it important to budget your money?
- How does knowing how your money will be spent help you with **cash flow**?

## eXTEND

- Why will your financial supporters want to see your financial information?
- Who else will need to see your financial information?
- What other times will you use your financial information?

## eXPAND

- In what part of your business plan will you use this information?
- In what other areas of your life will you want or need to keep financial records?

## Cash Flow

This Entrepreneur began his company with \$1000.00 and an unusual idea in the computer business. He found a way around the middleman and sells his custom-built computer systems directly to his customers. He established himself as the top vendor of computer systems worldwide. The Wall Street Journal named his company No. 1 in total return to investors over the past three, five, and ten years.

He is Michael Dell of Dell Computers.

Usually the highest expense in operating a business is salary cost. This includes hourly wages and salaries for all employees. Cash flow is the total money flowing into and out of the business. Early in the start-up of a business the money really flows out and very little comes in. You need a realistic budget which includes your salary or some means of income for you as the business owner.

## MORE e

1. Check available rental facilities in your community that might be suitable for your business. Compare at least three possibilities as to amount of rent, size of area, cost of utilities, distance from home, and any other suitable criteria. Make a comparison chart and discuss with your helper.
2. Interview at least three business people in your community and determine the wages paid for the type of labor you would hire. What is the availability of workers? What responsibilities would you have for paying benefits such as social security and insurance?
3. Locate annual reports or balance sheets from actual small businesses. Compare them to the items included in the financial worksheet in this activity. How are they alike? How are they different?



# Cash Flow Woe

WHAT'S IN  
IT FOR M<sup>e</sup>

Know the importance of a cash flow forecast in business decision making.

**Entrepreneur Skill:**  
Figuring cash flow

**Life Skill:**  
Wise use of resources: Managing money

**Educational Standard(s):**  
**Math:** Use mathematical reasoning to analyze situations, make conjectures, gather evidence, and construct an argument.  
**Economics:** Understand how economic principles apply to real world situations.  
**Literacy Skills:** Develop skills to record and organize information from multiple sources to summarize and evaluate.

Successful entrepreneurs know the importance of positive **cash flow**, the meaning of good credit, and why they must pay their bills (suppliers, employees, and lenders) on time. They have also learned how important it is to **forecast**—looking ahead for when they believe cash will flow into their business and when it needs to flow out. When something happens to disrupt the flow of cash, they need to have a plan to help energize and maintain the cash flow. What sustains a business is the positive flow of cash. When the flow slows or stops, it directly affects the health of the business. You need to review your cash flow forecast at least once a week.



Hit the ball over the fence  
and you can take your time  
going around the bases — John Kasper

## eACTIVITY

Complete a personal cash flow forecast using the format below.

### Cash Flow Forecast Worksheet

#### Cash Receipts

1. Cash on hand
2. Cash sales receipts
3. **Accounts receivable**
4. Other cash receipts
5. Total receipts

#### Cash Disbursements

6. **Accounts payable**
7. **Payroll**
8. Rent
9. Advertising
10. Other cash
11. Total payments
12. Cash flow
13. **Cash Balance**

#### Cash In

- Cash you have right now \$ \_\_\_\_\_
- Money coming in from sale of good/service \_\_\_\_\_
- Customers who owe you money and pay over time \_\_\_\_\_
- Bank loans, line of credit, loans from friends or family \_\_\_\_\_
- \*Cash from all the above sources \_\_\_\_\_

#### Cash Out

- Cash payments for supplies and materials to operate your business \_\_\_\_\_
- Cash to your employees \_\_\_\_\_
- Cash for the space you use for your business \_\_\_\_\_
- Cash to promote your business \_\_\_\_\_
- Cash for loan payments, taxes, fees \_\_\_\_\_
- \*Total payments of Cash Out \_\_\_\_\_
- \*\*Total of Cash In and Out  
Lines 5 and 11 added together \_\_\_\_\_
- Cash you have at the end.  
Line 5 minus 11 \$ \_\_\_\_\_



## eXPERIENCE

- Why is cash flow important to a business?
- Why is it difficult to come up with figures for your cash flow worksheet?

## eXPLORE

- What can you do if your cash flow forecast is negative?
- What is the connection of cash flow to
  - paying your employees?
  - ordering supplies?
  - making payments on your financing?

## eXTEND

- Why is it important to pay your employees on time and as promised?
- Why should you be careful about extending credit to those who would buy your product or service?

## eXPAND

- How does a positive cash flow give you confidence to continue your business?
- What figure do you have in mind for the amount of cash flow that you need to consider your business successful?

## Successful Entrepreneurship

While working for the U.S. Government as a naturalist in the Arctic, this entrepreneur got his idea that revolutionized food preservation. He said, "I do not consider myself a remarkable person. I am just a guy with a very large bump of curiosity and a gambling instinct." His other inventions include whale harpoons, an infrared heat lamp and spotlights for store windows.

This entrepreneur was  
Clarence Birdseye.

Don't go out on a  
limb when it comes  
to cash flow.



## MORE e

Carry your cash flow forecast to four weeks. Discuss your forecast with your Helper. Why must your cash flow forecast be adjusted weekly against actual expenses and income?

### Cash Flow Forecast

Week	1	2	3	4
<b>Cash In</b>				
1. Cash on hand				
2. Cash sales				
3. Accounts receivable				
4. Other cash				
5. Total receipts				
<b>Cash Out</b>				
6. Accounts payable				
7. Payroll				
8. Rent				
9. Advertising				
10. Other cash				
11. Total payments				
12. Cash flow				
13. Cash balance				

## e Words

- accounts payable
- accounts receivable
- cash balance
- cash flow forecast
- payroll



# Four Ways to Get Money \$\$

Honesty is the best policy. Entrepreneurs need to be people of character, ethical in their dealings, and worthy of trust. Most entrepreneurs gain satisfaction working for their income. Some also gain a higher level of satisfaction when they can help someone else with a good idea. Entrepreneurs learn that there are many ways people steal. They can steal your income, your ideas, and your resources. Sometimes people even try to steal your good name by saying things about you that are not true. The most valuable thing that you have is your good name. Be a person of good character.

WHAT'S IN  
IT FOR M<sup>e</sup>

Make decisions based on evaluation of four methods of income.

## Entrepreneur Skill:

Consider and assess four methods of income

## Life Skill:

Decision making: Select the best alternative

## Educational Standard(s):

**Math:** Select or develop an appropriate problem-solving strategy.

**Language Arts:** Write to Inform, discover, record, develop, reflect on ideas, persuade, and problem-solve.

## eACTIVITY

To start your business you will need **income** (cash) for start-up costs, wages, rent, fees, and other expenses to get your business up and running. Review the four methods listed below. List what is positive and negative for each.



### 1. Work for it

+

-

### 2. Borrow it

+

-

### 3.

Receive it as a gift

+

-

### 4. Fraudulent means

+

-



## eXPERIENCE

- When was the last time someone gave you money?
- How did you feel about receiving money without working for it?
- How would you go about borrowing money?

## eXPLORE

- What could you do to earn income to provide financing for your business?
- What is your attitude toward honesty?

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## eXTEND

- What impact does dishonesty in business have on society today?

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## eXPAND

- Of the four methods of obtaining income, which one do you think you will use to start your business?

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## eFACTS

### Entrepreneur Ideas

This entrepreneur's first record labels included: LL Cool J, The Beastie Boys, and Run DMCE. His clothing line "Phat Farm" features preppy/collegiate-via-street look. Universal Music Group paid this entrepreneur \$100 million for 40% of his company.

Russell Simmons  
The entrepreneur is

Showing up is  
80% of life. — Woody Allen

## MORE e

Why is it important to repay what you borrow? Discuss with your helper.



## The Tax Collector Cometh

If you sell taxable items (tangible personal property or taxable services), you must collect state **sales tax**, plus the appropriate local sales taxes. Cities and counties may also impose a local tax. Usually, local taxes apply to the same goods and services as do the state tax.

Did you know that you need to follow your state law and collect sales tax on most products and services from your customers? You then need to pay these taxes to your state **Department of Revenue**. This activity helps you explore how much tax you and your family pay for purchases in a week's time period. This will help you see how important it is that business owners collect sales tax and pay it to the state as required.

Determine sales tax paid.

### Entrepreneur Skill:

Collecting and paying sales tax

**Life Skill:**

### Responsible citizenship: Obligations

**Educational Standard(s):**

Identify certain responsibilities of citizens.

What civic dispositions or traits of private and public character are important to the preservation and improvement of American constitutional democracy?

How can citizens take part in civic life?



**eACTIVITY**

Have your family keep their receipts for any purchases they make for one week. Make sure you keep receipts for your purchases, too. At the end of the week, add up all the sales tax you and your family paid. Put this number in the blank below and multiply this number by 52. This number is the approximate amount of sales tax your family may pay on an average year.

Family sales tax for one week: \_\_\_\_\_

$\times 52 = \$$  \_\_\_\_\_ per year.

Sales tax rate in my community \_\_\_\_\_%

### My Familie's Purchase (One Week)

Receipts	Price	Sales tax
Total		



## eXPERIENCE

- What items that were taxed surprised you?
- Why are some items not taxed? \_\_\_\_\_

## eXPLORE

- Why is it important for a business owner to pay sales tax?
  - What would happen if you did not collect and pay sales tax to the government?
- 
- 
- 

## eXTEND

- From the items that your family purchased, what items were not taxed?
  - What services or products that you will sell need to be taxed?
  - How and when do business owners pay the tax they have collected?
- 
- 
- 

## eXPAND

- How will this activity help you with your business plan?
- 
- 
- 
- 
- 

## Sales Tax

It is required that you keep records for income tax. If you make a business profit of \$400 or more in a fiscal year (January–December), it is a federal law that you file the tax forms: Form 1040, Schedule C, and Schedule SE. The Form 1040 is the two-page U.S. Individual Tax Return. Schedule C is the way you report profit or loss from your business. Schedule SE is used to figure the social security taxes due on self-employment income.

While you are required to submit these forms when you make over \$400, you will not owe much tax if your total profit is less than \$4750 since this is the standard deduction you can take off your taxes (2003 standard deduction). You still may owe a small amount of self-employment tax even if you made less than the standard deduction.

All of the required forms can be obtained from your local library or post office free of charge. New ones are created each year. Make sure you have the right ones.

Your state may also have a state income tax. It is important to find this out and fill out the appropriate forms if applicable.

... Paraphrased from *Fast Cash for Kids*

An interesting twist to sales tax is that, if your business is Web-based, you only need to charge sales tax to customers who live in your state. People from all other states do not pay sales tax.

## MORE e

Visit your state's online Department of Revenue site and find the section about collecting and paying sales tax. Most sites have online questions or a quiz to help you decide if you need to charge sales tax, how much, and how often you need to send it in. See how your business fits into these parameters. Write down what you find out and any questions you have about your responsibilities for paying sales tax.



# Know When to Hold, Know When to Fold

Knowing when to hold them and when to fold them is always a question in business. If it was easy all businesses would succeed, and all entrepreneurs would stay in business. Success is not easy. It's something to work on every day.

Entrepreneurs know the meaning of risk. One of their characteristics is risk-taker. Before entrepreneurs go out on the ice, they check the thickness to determine if it will hold the weight of their business. When they go up a tree and walk out on a limb, they make sure that, if the limb gets cut off, they are supported by the tree. When in business it's important to always know your position or situation and if you have support. In business, high winds and storms come and go. A successful entrepreneur knows how to weather these elements and steer the business into a safe harbor.

Keeping a **balance sheet**, an ongoing record of income and expenses noting profit or loss, is absolutely necessary to the business person. It is not difficult if the information is entered in a regular and timely manner.

You always need to know the condition of your business and have a plan to change the direction of your business toward either success or termination (ending). There are options. You need to be able to evaluate your strategies for the future of your business. The decisions you make will be based on your business balance sheet.

## WHAT'S IN IT FOR M<sup>e</sup>

Determine when to quit.

### Entrepreneur Skill:

Considering exiting strategies

### Life Skill:

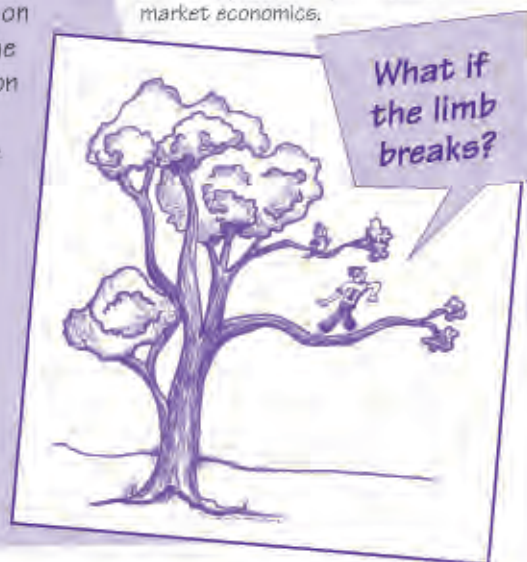
Self responsibility: Accountability for one's obligations

### Educational Standard(s):

**Math:** Extract, compare, contrast, and interpret information.

**Language Arts:** Develop an interpretation that exhibits understanding and insight.

**Economics:** Know how supply, demand, price, and profit drive market economics.



## eACTIVITY

One way to end a business is called **bankruptcy**. Using information resources such as the library, county/state offices, the Internet, lending institutions and law firms, research the following questions:

After reviewing the history of the term bankruptcy, how were individuals/families who declared bankruptcy treated in the past?

How does society view bankruptcy today?

What are **exiting strategies** other than bankruptcy?



## eXPERIENCE

- What are the main reasons businesses do not succeed?
- What happens when a business must be closed?

## eXPLORE

- What is meant by exiting strategies?
- What are alternative resolutions and courses of action to business closing besides bankruptcy?

## eXTEND

- Why is having good credit important for a successful business?
- How does declaring bankruptcy in your business affect your personal credit?
- How do bankruptcies affect the economy?

## eXPAND

- What strategy will you put in place to avoid closing your business?
- What are your plans for reviewing and adjusting your business plan and balance sheet?

## Successful Entrepreneurs

In 1994, two Ph.D. students started surfing the Web to organize their late night fun. They created this service to help their Stanford pals locate cool websites. Their service has become one of the largest online navigational guide sites in the world. In 1998 they were named "People Of The Year" by PC magazine.

The two entrepreneurs were  
Jerry Yang and David Filo of  
YahOO!

## MORE e

Write a report on the percentage of new businesses in America that fail the first year. Note below reasons why they fail. Discuss your findings with your group or adult helper.





# Doing the Right Thing

A business is more than products, services and money. An entrepreneur must be successful, also, as a person of character. A person lives day in and day out by a set of values or principles that determines what decisions are made and how to behave. A person of good character makes decisions to be honest, caring, trustworthy, respectful, responsible and fair (Josephson Institute) in relations with others. It is important to explore your values and know how they impact your business, either negatively or positively.

## eACTIVITY

**Ethics** can be defined as “the moral standard of right and wrong behavior.” This definition makes it seem quite clear. And indeed, some ethical situations are clear:

1. A customer hands you a \$20 bill instead of a \$10 bill when paying for a \$2 purchase. How much change do you return to the customer?
2. Your supplier delivers 10 boxes of envelopes instead of the one you asked for. When you get the bill though, your supplier only bills for the one box you ordered. What do you do?

The above examples are “black and white” when you think about the right way to respond. But what do you do in the “grey” areas where things are not so clear? You might ask the question, “Is my activity legal or illegal?” Obviously, if that is the question, then the answer is quite simple. Don’t do anything that is illegal. But the larger issue is, “What about situations where there is no right or wrong answer?”



### Words

• ethics • social responsibility

## WHAT'S IN IT FOR Me

Explore your own values and ethics.

### Entrepreneur Skill:

Practicing business ethics and social responsibility

### Life Skill:

Responsible citizenship: Character

### Educational Standard(s):

Identify what civic dispositions or traits of private and public character are important to the preservation and improvement of American constitutional democracy.

*You can preach a better sermon with your life than with your lips. — Oliver Goldsmith*

3. You have hired your brother to work for you. He is trying to earn money to buy a new bike and wants to work as many hours as possible.

Yesterday your best friend approached you. He wants to buy some new video games and has said as soon as he gets them you can come over and play. Your friend doesn't know where he can get the money. He wonders if you might hire him and give your brother fewer hours. What do you do?

### Discussion points:

- What are the ethical considerations? Business ethics? Personal ethics?
  - Is there a way to satisfy everyone?
  - What are the financial consequences for your brother and for your friend?
4. Role play the conversation you might have with your brother and with your friend. Explain your position and your decision.



## eXPERIENCE

- How did you feel about the ethical situations presented?
- Did you know right away what you would do in the same situation?
- Do you think there is more than one right answer to the ethical situation?

## eXPLORE

- Why are ethics important to the business owner?
- How does the business owner decide the priorities when customers, employees, financial backers and community needs are all important?

## eXTEND

- Describe an ethical problem you have faced. How did you resolve the dilemma?
- How can your personal code of ethics make your life better?
- How did you develop your personal code of ethics?

## eXPAND

- How will you use your code of ethics in developing your business?
- What do you think are some ethical issues you will face as you operate your business?
- What kind of ethical reputation do you want?

## Ethics in Business

Ethical issues arise in situations with customers, workers and suppliers. They occur in situations where you are making decisions that might affect the general public. As a business owner you must develop your own code of ethics and live by that code. While you can print that code and post it in your business, it is by your actions that most people will judge the ethical conduct of your business.

Ethics is part of a larger issue referred to as **social responsibility** or "the conscious effort to operate in a manner that creates a win-win situation for all." For the business owner, social responsibility may mean participation in the local community and in one's professional/business community. It may mean involvement in political activity, not just voting and giving money, but in the process of decision making. It may mean having a part in the development in the economic well-being of one's community, and even in the understanding that you and your employees have a personal life—life is not just your business.

# MOREe

1. James manufactures unique handmade pet collars. He sells his products to individuals and through a local pet store. He pays his friends to help him sell products and fill orders when he gets busy. Discuss the following ethical situations that James may face.
  - James faces an expanding business. With home and pet store sales growing rapidly, he will have to hire more people.
  - James found out some of his friends did not report all of the sales they were making.
  - The pet store owner is not sending James all of the money from sales based on a claim that some of the collars were defective and were returned.
  - The pet store owner continues to demand more collars. James and his friends cannot meet the demand and he cannot find more help.
  - James may have additional orders from other stores. He is faced again with meeting an increased demand. Those other stores are in the same community. The pet store owner is unhappy because he is no longer the only provider of these special collars.
2. Go through newspapers or news magazines and locate ethical business situations. List the issues/situations and how they are being resolved.



# Be a Community Hero

It is important for entrepreneurs to understand and plan for their business to have an effect on the community around it. This concern for the surrounding community is another example of social responsibility.

For you the business owner, social responsibility can take several forms. You can be involved with political activity, in developing the economy and understanding that your employees have a personal life beyond their life at your business. You could also participate in local community fundraisers, blood drives, or sponsoring youth activities.

WHAT'S IN  
IT FOR M<sup>e</sup>

Plan for social responsibility.

**Entrepreneur Skill:**

Knowing the influence of your business on the community

**Life Skill:**

Responsible citizenship: Social responsibility

Thanks to our  
school business  
partners.



## eACTIVITY

Businesses showing social responsibility are all around. Use your business idea and businesses in your community to complete the following.

1. Think about how **environmental management** creates ethical issues for the business owner. List some of the issues and describe the opposing sides.

3. Describe and list some ways your business can be involved in its community.

2. List examples of how local business owners are responding to their social responsibilities.

4. Discuss the social responsibility of the business owner to create **sustainable** communities.





## eXPERIENCE

- What type of social issues do businesses in your community concentrate on?
- What social issues are interesting to you?

## eXPLORE

- Why do you think it is important for businesses to support their local community?

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## eXTEND

- What are some of the community needs that aren't being filled by other businesses?
- What benefits do businesses receive from helping the community?

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## eXPAND

- What would you like to do for your community?
- What innovative ways could you address social responsibility as a business owner?

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## eFACTS

### Social Responsibility

Social responsibility and ethics have always been a part of the business owner's world. These topics recently have become more visible as the result of publicity concerning unethical practices in large corporations.

## MORE e

Shadow a local politician in order to discover opportunities to become involved. Compile a list of opportunities your business could get involved with and note their importance to the community. Discuss your choices with your Helper or other adult.

*Y*ou see things and you say, "Why?"  
But I dream things that never were  
and I say, "Why not?" — Martin Luther King



# Who Pays for My Mistakes?

Developing a successful business requires a good idea, and a lot of hard work and energy, to build that good idea into a business. In the process, many things can go wrong. The owner cannot control some of the problems. But in other cases, the owner can do much to protect himself or herself. A successful entrepreneur plans ahead and knows where a problem might occur that could result in a loss or failure of the business.

Such planning includes many different possibilities. Maybe it's the purchase of insurance. Perhaps it's knowing where you can get additional supplies to meet unanticipated demand, or if one supplier goes out of business. It also means identifying professionals such as attorneys, accountants, insurance agents and agencies such as Cooperative Extension, SBDC, SCORE, or Chamber of Commerce who can help you develop your business.

Being able to identify potential problems before they happen allows you, the business owner, to better handle the problem. You can prepare both **internal** and **external solutions**, and expand your base of resources. As a potential entrepreneur, your actions can move the business towards success or failure.

## WHAT'S IN IT FOR ME

Anticipate potential problems and alternative solutions.

### Entrepreneur Skill:

Anticipating and preparing for causes of loss or failure

### Life Skill:

Problem solving: Identify possible solutions

### Educational Standard(s):

Use a variety of technological and information resources (e.g., libraries, databases, computer networks, video) to gather and synthesize information and to create and communicate knowledge.

**Math:** Judge the reasonableness of numerical computations and their results.

Develop and evaluate inferences and predictions that are based on data.

Understand and apply basic concepts of probability.

## eACTIVITY

Read through the following scenarios. Discuss what problem might occur and then list possible alternative solutions to the problem.

1. Jennifer's business builds a stand where sports equipment and awards can be stored and displayed. Her business has just been open for six months and Jennifer has been doing all the work herself. Several crucial parts for her unit come from a single supplier. She sells about one unit per month, and thinks that she probably could sell an additional unit each month. She is going to do some advertising. What might you suggest Jennifer do before she begins her marketing campaign?

### Alternative Solution

2. Dominick and Ursula are in business together building pet toys. The local pet store sells everything they make. As they approach the holidays, they have just delivered a large amount of toys to carry the store through the season. Today as they came home from their 4-H club meeting, they went by the store and saw a "Closed - Out of Business" sign in the window. Their entire inventory is inside the store. They used all their money for supplies to build that inventory, and the pet store hasn't paid them. What should they do now? What might they have done earlier to prevent this problem?

### Alternative Solution



## eXPERIENCE

- As you read about these issues, what did you feel about their situations?
- Do you feel that the pet store owner is taking advantage of Dominick and Ursula?

## eXPLORE

- Why do entrepreneurs need to consider problems that could happen?
- How can you foresee what might happen?

## eXTEND

- When have you been faced with a situation that some earlier preparation might have helped prevent?
- How well do you accept responsibility for yourself and your decisions? Give an example.

## eXPAND

- What is another possible problem situation that you could prepare for in advance?



## If It Is To Be, It Is Up To Me!

Of course there are risks for those who are willing to take the initiative, pursue opportunities, set goals, and do their best to bring their ideas to reality. Nobody has a crystal ball that will always accurately predict the future. Stuff happens. Real life is what actually happens when we were focused on accomplishing something else. Fortunately, much of the stuff that happens that was not in your plan turns out to be to your advantage. If life gives you lemons, you make lemonade! An entrepreneur is nimble. S/he can turn on a dime to pursue an opportunity or take advantage of changing circumstances. The beauty and joy of it is having the freedom to make your own choices, follow your own dream, and avoid potential problems by constantly being on the alert. Developing a business is exciting and satisfying for most people!

## MORE e

Identify three businesses that have closed in your area. Do some research to explain why they closed.

- What problems might the business have had?
- What could the owner have done to help protect himself or herself from the problems?
- Was there competition that the owner did not recognize?

Write a one-page summary of your findings and share it with your group or Helper.



Give<sup>e</sup> Back

Business leaders are aware of the impact that their businesses have on communities. They are grateful for the people in these communities that support their business. They often return some of their profit to the community. These people are sometimes called **philanthropists**, those who promote human welfare through goodwill to others. Without their help, many of the cultural and humanitarian purposes that we enjoy, and from which we benefit, would not exist.

Some philanthropists have been famous for their achievements, but others make contributions without recognition or reward. Those with large amounts of money may have not-for-profit organizations that decide where the money will go, and how it is to be spent. Often the system involves scholarship programs for youth, or allotting monies for charities. As a young business leader, you must be aware of the importance of giving back.

Decide how to give back to your community.

**Entrepreneur Skill:**

Being aware of social concerns

**Life Skill:**

Responsible citizenship: Contributions to your community

**Educational Standard(s):**

Understand choices involve trading off the expected value of one opportunity against the expected value of its best alternative.

Giving back is  
very  
important.



## eACTIVITY

Investigate **non-profit** organizations that have been started by business leaders. Think of business leaders in the past (i.e., Rockefellers) as well as the current business leaders (i.e., Bill Gates). Consider their **motives** that moved them to action.

Brainstorm ideas for your own non-profit organization that you will create once you become a successful leader. Think of causes you support, things you believe in, and feel strongly enough about to invest your money into making it happen. Come up with a name for your organization. Begin by thinking about these questions

- What need does my community have?
- What interests do I have that I might support?
- What would be my motive or goals?
- What would be my first step?

Write a **mission statement**, a brief summary of your goals, and the direction your organization will take to improve your community.

**My Mission Statement**



# eXPRESSIONS

Discuss the following  
with your helper or  
members of your group.

## eXPERIENCE

- How did you feel about creating your non-profit organization?
- How was it like creating your business?

## eXPLORE

- Why is it important to give back to the community?
- What reasons do you have to give back beyond improving your business' image?

## eXTEND

- With whom do you share your possessions or skills now as an individual and as a member of a group?
- How does it feel to share what you have with others?

## eXPAND

- Where can you share now as your business is just beginning?
- What is the social impact that you want your business to have?



Acknowledgements: Mahammi Brown, Ph.D., OCEG Home Based and Micro Business Specialist, Oklahoma State University

# eFACTS

## Writing a Mission Statement

Imani, a young entrepreneur, runs a successful dog grooming service and now wants to start a non-profit organization that gives "pet-themed" care packages to kids who can't afford to buy treats for their dogs. Imani has decided to call her non-profit organization Doggy Bags. Here is an example of a mission statement she would create for her organization.

*Doggy Bags donates care packages because we care about kids and their pets. Our goal is to give baskets filled with dog treats, dog food, leashes, and grooming supplies. We want to make kids smile and dogs wag their tails!*

# MOREe

1. Research one of your favorite companies such as Coca Cola, Nintendo, Nickelodeon, or Nike. Make notes on their not-for-profit activities. If you have access to the Internet, go to their business websites, look for the section on community relations, and read about their commitments to the community. Copy one or more of their mission statements below.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. What does the following mean?  
"Give back or have it taken back."

## Words

- mission statement • motives
- non-profit • philanthropist



# How Good Can it Get?

The question for young entrepreneurs is, "Will my business be successful?" With the entrepreneurship skills you've gained, the answer is obvious: Y-E-S! But how do you define success? Write what success means to you:

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Successful business leaders are well-versed in their industry. They are effective communicators, assertive, and willing to give back to their communities. Think about what would make you a successful business leader.

- What type of business do you own?
- What are your business strategies?
- How do you treat your employees?
- How do you share the money that you make with the community?

## **e**ACTIVITY

You are now a successful business owner. A business magazine plans to profile the world's top business leaders, and they have selected you to be featured. Why was your business successful? Was it because you made a lot of money? Was it because you opened up employment opportunities for people? Was it because you have given back to the community that fostered you as a developing entrepreneur?

Think about how you would like you and your business to be described in the magazine. Will you portray the **external rewards** and recognition you have received, or the **internal reward** of having contributed to the common good of your neighborhood, community or world? Write your business story as you hope it might appear someday.

## WHAT'S IN IT FOR ME

Imagine your future achievements.

### **Entrepreneur Skill:**

Envisioning the future of your business

### **Life Skill:**

Community service: Contributing to the common good

### **Educational Standard(s):**

Identify: How can citizens take part in civic life? What are the responsibilities of citizens?

Supporting community projects.



## My Business Story



## eXPERIENCE

- How did you feel about writing your imaginary business profile?
- How difficult is it to think of yourself as successful?

## eXPLORE

- Why is it important to be able to see yourself as successful?
  - How does having a goal in mind help you plan the steps to achieving it?
- 
- 
- 
- 

## eXTEND

- How do your ideas about what success means compare to those described in the introduction to this activity?
  - How are the same attributes important in business as in your personal life?
- 
- 
- 
- 

## eXPAND

- In what other aspects of your life will it be of benefit to you **envision** yourself as successful?
  - Where do you currently see yourself as being able to contribute to your community?
  - How will you make a meaningful contribution to your community? Explain.
- 
- 
- 
- 

## Giving Back

Ewing Marion Kauffmann was a famous entrepreneur and philanthropist. He got his start by distributing pharmaceuticals from his home basement. He grew it into Marion Laboratories, a diversified pharmaceutical and health care company that was valued at more than \$6 billion when it merged with Merrel Dow in 1989. In the process, Mr. Kauffman made a number of his long-term employees into millionaires. He also endowed a \$1 billion foundation, the Ewing Marion Kauffman Foundation, dedicated to a vision of self-sufficient people living in healthy communities. Mr. K. believed that three key characteristics were very important to the ultimate success of the entrepreneur:

- sharing the rewards of entrepreneurship with those who produce
- treating others as you would like to be treated
- and giving back to your community.

## MORE e

Research an entrepreneur who is your age. Try youth entrepreneurship magazines or perform an online search. How successful is the business? How many employees does it have? Does the owner donate a portion of the profit to a charity?



# Do the Plan (Business Plan)

It is time to bring together what you have learned from the previous activities. All of them were about some part of owning a business. The parts all come together as a whole when you complete your business plan. You will begin to make decisions based on forethought you put into your business plan.

## ACTIVITY

Using these three pages to make notes, enter the following outline of a business plan into a computer so you can make room for the appropriate answers. Give thought to your responses to the questions. Print your business plan and staple it together or put it into a binder to make it easier to use. If you haven't access to a computer, you can type or write it out by hand and bind together. Your business plan is an essential part of completing the BE THE **e** Achievement Program.

### Title Page of a Business Plan

*(Review page 50 - Business Name Game and pages 60-63)*

The name of the businesses: \_\_\_\_\_

The type of business ownerships: \_\_\_\_\_

Entrepreneur(s) name(s) \_\_\_\_\_

Mailing Address(es) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number(s) \_\_\_\_\_

Today's Date \_\_\_\_\_



Outline a business plan.

#### **Entrepreneur Skill:**

Completing a business plan

#### **Life Skill:**

Managing: Planning/organizing

#### **Educational Standard(s):**

- **Language Arts:** Write to inform, discover, record, develop, reflect on ideas, persuade and problem solve.
- **Math:** Use a variety of methods to explain mathematical reasoning.  
Use mathematical notation and language to describe, discuss and solve real-world problems.
- **Economics:** Economic principles apply to real world situations.
- **Career & Life Skills:** Use career information to apply entrepreneurial skills.
- **Technology:** Know common features of and uses of desktop publishing software.



## Table of Contents

List the names of each section in your business plan, including the subsections and page numbers of each section. This will help your reviewer locate information quickly.

### Table of Contents

1. <i>Executive Summary</i> .....	<i>Page #</i>
-----------------------------------	---------------



## Part I

### Executive Summary

Although this is Part I of the business plan, it is usually written **last** after you have completed the other six sections. This is a well-written one or two page summary of your business plan that clearly and concisely communicates the key information about each section.

## Executive Summary



## Part II

### Description of the Business

The purpose of my business is:  
(Review Chapter 3, Level 1)

---

My business will be successful because: (List the reasons.)  
(Review Chapter 2, Level 1)

---

The business will be located at:

The opening date, hours and days my business will operate are:

Explain and describe the business, the good or service you will offer, and your competitive advantage over a similar good or service being offer in your area.

insert picture of your good or service here



## Part III

### Business Personnel

*(Review Chapter 4, Level 2)*

\_\_\_\_\_ is responsible for the following jobs \_\_\_\_\_  
(name of person)

\_\_\_\_\_ has these skills and experiences that will support our business.  
(name of person)

I will hire \_\_\_\_\_ as employees to support our business.

The different tasks our business will do are:

\_\_\_\_\_  
List who will do each task and what skills or experience they have for your business.



## Part IV

## Description of the Market

(Review Chapter 3, Level 2)

My target market is:

Age of people in my target market: \_\_\_\_\_

Gender: \_\_\_\_\_

Characteristics of people in my target market are:

My competition is:

List the names and types of goods or services they offer.

List the prices your competition is charging for similar goods or services to what you will offer.

Number of customers in my target market:

My market survey shows people in my target market want:

Explain why your goods or services are different than your competitors.



## Part V

### Marketing Plan

*(Review Chapter 1, Level 3 and Chapter 3, Level 1)*

The benefits of my goods or services to my customer are:

- 1.
- 2.
- 3.
- 4.

---

The **marketing strategies** I will use to promote my goods or services are:

*(Use information collected on page 76)*



## Part VI

### Financial Information

*(Review Chapter 2, Level 3)*

My **start-up costs** are: \_\_\_\_\_

My **initial operating expenses** for the first month of operation will be: \_\_\_\_\_

My total expenses for starting the business and initial operation will be: \_\_\_\_\_

The price(s) I will charge for my goods or services will be: \_\_\_\_\_

My projected cash flow is: \_\_\_\_\_

*(Use information collected on page B4, Starting Costs and Operating Expenses)*

*(Use information collected on page B6, Cashflow Forecast Worksheet)*



## Part VII

### Supporting Information

What other information, samples, prototypes, or drawings should you include to help the reviewer understand and have more confidence in your Business Plan?

*Use information collected on page 82, Determine Selling Price.*

*Use information collected on page 46, Internet Inventory.*



## eXPERIENCE

- What was the *easiest* part of completing your business plan?
- What was the most difficult part of completing your business plan?
- How do you feel now about the plans you have made?

## eXPLORE

- What do you want to change or add to your plan before it is complete?
  - How easy will it be to follow the plan you have made?
- 
- 
- 

## eXTEND

- How does having a plan help in other areas of your life?
  - What are some other kinds of plans that would be useful to you?
- 
- 
- 

## eXPAND

- What are the first three steps you will take now to implement your plan?
- 
- 
- 

OR

- If you aren't ready to start your business, list three things you have learned that helped you make that decision.
- 
- 
- 

## eFACTS

### Make Your Own Plan

This outlined business plan is very general and may not be exactly what you want to use to present your business idea. There are all sorts of businesses and all kinds of entrepreneurs. Because of this, business plans differ greatly. If you think of some key information you would like to include beyond what is called for in this outline, by all means include it. You don't even have to follow this outline exactly. Make it fit your needs. After all, your business is your idea, and you will know best how to present it.

## MORE e

Maybe you have decided you aren't ready to start your business and have listed in eXPAND three reasons you made that decision. If so, describe how you might change your idea, or develop another idea, to continue your interest in becoming an entrepreneur.

## eWords

- initial operating expense
- marketing strategies
- start-up cost



# Level 3 Entrepreneurship Post- then Pre-Evaluation

On the following scale, 4 is high and 1 is low. Rate what you know about that subject now that you have completed Level 3 of the project. Circle N/A if that particular information was not included. Please circle your answers in each column.

What is your understanding of...	Now—After Completing Level 3	Back—Before you Started Level 3	I Plan to Use This Within Six Months
1. Turning a 4-H project into a market opportunity	4 3 2 1 N/A	4 3 2 1	Yes No
2. Why a cash flow forecast is important in business decision making	4 3 2 1 N/A	4 3 2 1	Yes No
3. Sales tax regulations	4 3 2 1 N/A	4 3 2 1	Yes No
4. The entrepreneur's responsibility to self and community	4 3 2 1 N/A	4 3 2 1	Yes No
5. The influence of your business on the community	4 3 2 1 N/A	4 3 2 1	Yes No
6. When to quit and close your business	4 3 2 1 N/A	4 3 2 1	Yes No

What is your ability to...	Now—After Completing Level 3	Back—Before you Started Level 3	I Plan to Use This Within Six Months
7. Budget business expenses	4 3 2 1 N/A	4 3 2 1	Yes No
8. Make decisions based on evaluation of four methods of income	4 3 2 1 N/A	4 3 2 1	Yes No
9. Identify potential problems and develop alternate solutions	4 3 2 1 N/A	4 3 2 1	Yes No
10. Use traits that are important in customer service	4 3 2 1 N/A	4 3 2 1	Yes No
11. Imagine your future achievements	4 3 2 1 N/A	4 3 2 1	Yes No
12. Make a presentation to market your business	4 3 2 1 N/A	4 3 2 1	Yes No
13. Determine the selling cost of your product or service	4 3 2 1 N/A	4 3 2 1	Yes No
14. Decide how to give back to your community	4 3 2 1 N/A	4 3 2 1	Yes No
15. Complete a business plan	4 3 2 1 N/A	4 3 2 1	Yes No

16. My two favorite parts of Level 3 were: \_\_\_\_\_

17. One thing I will use right away is: \_\_\_\_\_

18. My least favorite activities in Level 3 were: \_\_\_\_\_

19. Any additional comments you would like to make about Level 3? Put them below: \_\_\_\_\_



E



# Learn to talk the e talk!



## A

**ability** – competence or skill that is natural or learned

**accounts payable** – total owed to others

**accounts receivable** – total owed by others to the business

**adjective** – describes a noun; indicates quality or extent of the noun

**adverb** – describes a verb; puts limits

**appeals** – attractive or interesting

**artifacts** – objects produced by human handiwork

**assessment** – appraisal or evaluation to determine the value

**asset** – available resource; something of value

**assumption** – the taking over of another's debts

## B

**balance sheet** – to equalize the sums of the debts and credits of an account

**bankruptcy** – legally declared unable to pay one's debts because of lack of money; one's property is divided among the creditors

**benefits** – something gained; useful for well-being

**bill** – an itemized list or statement of charges owed

**bottom-line profit** – the last line in a financial statement that shows the amount of profit or loss for a business

**brainstorm** – ideas generated and expressed without regard to quality; evaluated after all are presented

**brand** – something that distinguishes a business from the competition

**budget** – a plan or estimate of the amount of money to be spent and received in a given time period

**business goal** – the end toward which effort is directed in business affairs

**business plan** – total plan for the production of goods or services

## C

**capital** – money or property owned by the business

**cash balance** – amount of cash on hand

**cash flow** – net income; total money flowing in and out of a business

**cash flow forecast** – prediction of cash available, month by month

**catalog** – systematic listing of items with description and price of each

**catchy** – appealing, unique

**challenge** – a difficult or demanding situation; a physical or mental disability

**characteristics** – distinctive traits of an individual; personal identity or a person's unique qualities

**classified ad** – advertisements organized into classes or groups by topic

**classifying** – placing objects into groups according to selected characteristics

**collage** – an artistic composition made of various materials glued on a surface

**collateral** – property pledged by the borrower to protect the interests of the lender

**commercial** – an advertisement

**common** – usual, ordinary, something held jointly

**common sense** – conventional wisdom

**community** – people living in a certain location; people with common interest scattered throughout society

**compare** – examine to discover similarities and differences

**competency** – having adequate ability

**competition** – two or more parties acting independently to secure the business of a third party by offering the most favorable terms

**consult** – ask the advice or opinion of another person

**consumer** – person or business who buys products and services for their own use

**consumer goods** – tangible objects or items that companies produce to sell

**contrast** – degree of difference between comparable items

**convenience** – relatively quick and easy to use

**copyright** – the legal right to be the only one to publish, produce, sell, or distribute a literary, musical, dramatic, or artistic work

**corporation** – a group of persons acting under a legal charter recognizing them as a separate unit with rights, privileges, and liabilities, to act as if they were a single person

**cost** – an expense

**creation** – making, inventing, or producing something new or original

**creativity** – originality and inventiveness

**credentials** – letters or other written evidence of a person's qualifications or status

**credit** – buy goods or services now with the agreement that you will pay for the purchases at a later date

**credit history** – the record of how you pay your bills

**critique** – a review, evaluation

**cultural** – the customs and society of a particular people or group

**culture** – the customary beliefs, social forms, and material traits of a group

**curious** – a desire to know; an interest leading to investigation

**customers** – those who buy products, whose wants the items meet

**customer satisfaction** – those who buy are pleased with their purchases

**customer services** – support provided for items sold



## D

**debtor** – a person who owes something to another

**demand** – the quantity of a product or service wanted by customers at a specified time and price

**demographic** – distribution of population

**Department of Revenue** – official government division designated to collect tax money

**distribution** – process of delivering to several or many, as to markets

**diverse** – varied, different, not having the same characteristics

**diversity** – variety

**drive** – to push forward forcefully

**durability** – designed to last

## E

**e-commerce** – business conducted on the Internet

**economy** – the general state of the business cycle, i.e., rapid growth, recession

**endeavor** – to make an effort toward an end

**entrepreneur** – one who organizes, manages, and assumes the risks of a business or enterprise

**entrepreneurship** – the process of organizing and managing a business

**environmental management** – overseeing natural resources and conservation for sustainability

**envisioning** – picturing in the mind; imagining

**equity** – fair, no favoritism; value of an asset, such as a business, after all debts are paid

**ethics** – right and wrong behavior; accepted standards of conduct

**ethnic** – people who share distinctive cultural characteristics originating from a common national, linguistic, or racial heritage

**evaluate** – to determine the significance, worth, or condition of something

**exiting strategy** – a way out

**expectations** – what one anticipates will happen

**expense** – cost; expenditure of money

**external rewards** – rewards given by others

**external solutions** – relying on the services of others to solve a problem or perform a service

## F

**failure** – did not perform as expected

**fixed expenses** – costs that stay the same such as rent, basic phone service, monthly payments for equipment

**fraudulent** – dishonest; deceitful

**functionality** – performs from the point of view of use

## G

**goods** – another term for products

**gross** – total of all products and services sold

**gross income** – total amount of money taken in

## H

**historical/social situation** – what was going on in the community or world at the time

**humanitarian** – promoting human welfare and social reform

## I

**income** – money received from sale of products and services

**information** – facts, data

**ingredients** – a component in the mixture; a part of the whole

**initial operating expense** – start-up costs

**interest** – payment for the use of someone else's money

**interests** – something you like to do

**internal rewards** – inner satisfaction

**internal solutions** – corrections to a problem situation that come from within the business

**interviewing** – meeting with a person to gather information and evaluate for employment

**inventive/creative thinking** – use of imagination and experiment to produce something for the first time, or discovery of a new use for something that already exists

**inventory** – itemized list of assets

**investigate** – to observe or study; an organized inquiry

## J

**job shadow** – closely observing a person to experience the duties and responsibilities of a position

## L

**legal contract** – an agreement between two or more persons or groups, especially one that is written and enforceable by law

**legitimacy** – being in accordance with the law; authentic; genuine

**license** – legal permission to do or own a specified thing

**limitations** – reduced or lesser ability

**locally** – a particular place nearby

**long-term** – over a year

**love** – strong affection for or devotion

## M

**manufacturers** – those who employ others to turn raw materials into finished products

**market** – the business of buying and selling a product or service; to make attractive to consumers; a particular type of buyers

**marketable** – wanted by purchasers or employers

**marketing plan** – the detailed procedures for successfully offering goods and services to the public as a whole, or to specific targeted segments of the public

**marketing strategies** – plans to promote a product or service

**markup** – amount added to cost price to determine selling price

**materials** – the elements out of which something can be made



**media** – agencies of mass communication  
**mentor** – a trusted friend, counselor or guide; tutor, coach, adviser  
**miscellaneous expenses** – an assortment of costs that do not fit into other classifications  
**mission statement** – the specific task the organization is to do  
**motive** – a need or desire that causes a person to act

## N

**natural ability** – inherited traits and capabilities  
**needs** – necessary goods or services  
**net** – another term for profit  
**net income** – total income minus total expense; profit  
**news release** – short media story on a special current event  
**non-profit** – not for the purpose of receiving compensation or payment  
**non-verbal** – use of gestures and body language to communicate without use of words  
**norms** – a standard or pattern or type considered to be representative of a group; a customary behavior or response  
**noun** – the name of a person, place or thing

## O

**online auctions** – website through which one can make an offer for goods or services in competition with others  
**online survey tool** – website for collecting information from individuals  
**operating expenses** – the cost of doing business  
**opportunity** – a favorable time  
**opportunity cost** – giving up something to get something else  
**opportunity evaluation** – careful analysis of potential risks and rewards of a situation  
**opportunity recognition** – identification of alternative chances for progress  
**overhead** – on-going fixed costs of operating a business

## P

**partnership** – ownership with another person  
**passion** – a powerful feeling; great enthusiasm  
**passionate** – expressing strong feeling  
**patent** – exclusive right to produce, use, and sell an invention or process  
**payroll** – the amount of money one owes workers periodically for their services  
**perceived quality** – apparent degree of excellence  
**permit** – a document giving permission to do something  
**personal goal** – the end toward which effort is directed in individuals private life  
**philanthropists** – those who promote human welfare through goodwill to others  
**physical** – need for material belongings  
**planning** – goals, policies, and procedures  
**political/legal/regulatory environment** – those factors that affect the cost of doing business, the structure of doing business, and the structure of competition  
**press release** – article written for the media  
**price** – the cost is within the ability and desire to pay  
**pricing** – the process of establishing the sales value of ones product or service  
**pricing structure** – discounts and incentives based on volume purchased  
**priority** – rated over other alternatives; preferred  
**problems** – obstacles to achieving goals  
**process** – series of actions and operations leading to an end  
**product** – something made and sold on the market  
**production** – making goods available for use  
**profit** – income less expenses; selling price minus cost to produce  
**profitable** – makes money or other return  
**promotion** – drawing positive attention to your goods or services  
**promotional strategies** – methods to promote your goods or service such as newspaper, radio, TV, flyers, business cards, billboards, websites, word-of-mouth  
**psychographic** – possible mindset or behavior  
**psychological** – need and meaning existing in the mind  
**purpose** – an object or end to be attained; intent

## R

**recipe** – a formula for accomplishing a certain thing  
**refine** – improve  
**rent** – charge for the space you use for your business  
**resiliency** – adaptability; the ability to overcome problems and difficulties  
**resources** – elements such as time, money, materials, space, or people, available for use in accomplishing something  
**retailers** – those who market goods to the final consumer  
**revenue** – money earned by sale of products and services  
**risks** – chance of loss

## S

**salaries** – compensation paid to people on a regular basis in return for work or service  
**sales** – the monetary return on goods sold  
**sales tax** – payments due to the government, based on value of goods sold  
**scarcity** – supply does not meet demand; limited resources and unlimited wants  
**search engine** – a website capable of locating websites relating to a chosen subject  
**security** – protection against loss  
**sell** – to promote for purchase  
**serendipity** – a surprise finding of something valuable  
**service** – the sale of one's time, skills, or expertise  
**service providers** – those who offer specialized labor for sale  
**services** – helpful tasks or work performed  
**shared** – used in common with others; a portion of the whole  
**shortages** – insufficient goods of a particular type to meet demand  
**short-term** – less than one year  
**skills** – abilities, talents, and competencies, usually those that can be learned  
**social** – need for status among one's friends; relationships of people living in a shared community



**social capital** – a person's stock of resources that come from their reputation, networking, ability to make new contacts, etc. that help them achieve desired goals

**social competence** – the ability to interact effectively with others based on discrete social responsibility—the conscious effort to operate in a manner that creates a win-win situation for all; contribution to in the well-being of all

**social responsibility** – the effort to operate in a manner that creates a “win-win” situation for all

**sociocultural** – societal changes that communicate values, interests, trends, tastes, attitudes, demographics, and activities of consumers

**sole proprietorship** – ownership by a single individual

**solvency** – capable of meeting financial obligations; able to pay all legal debts

**start-up costs** – expenses to open a business

**strategies** – plans of action

**strengths** – things you are good at doing

**subassemblies** – produce a piece or part of the final product

**sustainable** – management to insure continuation

## T

**talents** – natural abilities

**target market** – group of people interested in a product or service

**tasks** – specific items of work

**tax** – percent of business income used to support public services

**technology** – changes that affect people's productivity, the speed of development of new products and their costs, and the availability and use of free time

**terminate** – to end

**testimonial** – report giving personal experience

**time lines** – projections of when significant events will occur

**time management** – organizing time available, and its use, to accomplish activities that are most important

**trademark** – a name, symbol, or other device identifying a product, which is registered with the government and legally restricted to the use of the owner or manufacturer

**traits** – inherited characteristics

**trends** – changing style or direction; trends last for an average of 16 months; fads last for one season, typically three to four months or less

## U

**usability** – convenient and practical for intended purpose

## V

**value** – worth, cost, price, rate, assessment, appraise, evaluate, importance

**variable expenses** – costs that can go up or down depending upon business activity such as office supplies, gasoline, electricity, water bills

**verb** – describes action

**verbal** – spoken words and sounds

## W

**wants** – desire for a goods or services; items desired

**wholesalers** – firms that purchase goods from a manufacturer and sell to a retailer

**wishes** – desires, preferences

## Entrepreneurship Word Find

I O T X E U N E V E R L L I B M O I T P  
S N A S V C S C C B P E R M I T P P V C  
E T T A O N O I T P M U S S A T E S S A  
S M L E E C V N O B C D S K E B R P P N  
N U O P R R T V S O U I K E O A A J I O  
E Y X C E N E H L U O D H L K N T E H I  
P E R S N R A L G N M S G R F K I D S T  
X A Z O H I A L S I E E A E E R N I R O  
E P Y E T T S T S C R M R N T U G S E M  
D N A R E N A S N O E Y T V P P E T N O  
E D E R O T E A O D L R P R R T X R T R  
X V A E E L L V A R E U I O I C P I R P  
I L T M D A L R N P G S T L C Y E B A C  
F T E S B S T K R I K X J I E T N U P R  
X N B U S I N E S S P L A N O E S T R E  
T I D E R C N L A T I P A C V N E I O A  
S E L A S E W H O L E S A L E R S O D T  
A G C X U S R E M O T S U C L Y F N U I  
E F T R N O I T I T E P M O C E V Q C O  
C A S H F L O W P A S S I O N G S W T N

asset  
assumption  
balance sheet  
bankruptcy  
bill  
budget  
business plan  
capital  
cash flow  
collateral  
competition  
consumer  
copyright cost  
creation  
credit  
customers

## Word Bank

distribution  
entrepreneur  
expense  
fixed expenses  
gross income  
internal  
solutions  
inventory  
mission  
statement  
needs  
net  
operating  
expenses  
overhead  
partnership  
passion  
payroll  
permit  
price  
product  
promotion  
revenue  
risks  
sales  
sell  
service  
tax  
trademark  
value  
wholesalers



# Answers to Activities

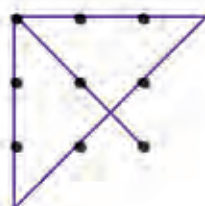
## The Language of Business

Level 2, page 36



## Econ 101

Level 2, page 38



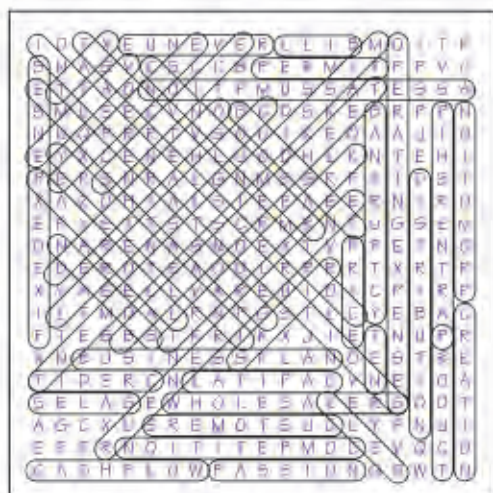
## Matching e Words

Level 2, page 38

- |     |     |
|-----|-----|
| A 6 | F 3 |
| B 5 | G 4 |
| C 9 | H 7 |
| D 1 | I 8 |
| E 2 |     |

## Entrepreneurship Word Find

page 119



## Credit Trivia

Level 2, page 64

- True**—The average American charges about \$4,500 per year; fifty five % of Americans "always" or "sometimes" worry about their money.
- False**—At December holiday time, VISA is used about 5,500 times a minute; \$96 billion was charged on credit in 1998.
- False**—The average weekly allowance is \$10 per child. A child who is old enough to ask for specific items is old enough to be given an allowance and to begin to learn the art of budgeting and managing money.
- True**—At 18% interest it will take you 98 months to pay off a \$1,000 charge and it will cost you \$2,193 in principal and interest charges.
- True**—If you are delinquent with your bills, it can stay on your credit report for seven years.
- False**—In the 1970's, laws were passed to protect the consumer from harassing phone calls. A creditor may not tell anyone but the person who owes him/her money.
- True**—If the bank repossesses your car and sells it for less than you owe, you still owe the difference. Repossession will stay on your credit report for seven years.
- True**—Of these, 70% are "total" bankruptcy which is Chapter 7.
- False**—Even bankruptcy cannot wipe out certain debts such as taxes, child support, alimony, or student loans.
- True**—A savings category should be built into a personal budget. It is wise to accumulate three to six months worth of living expenses in an emergency fund.
- False**—Bankruptcy can stay on your credit report for 10 years.
- False**—Every month the number of people paying their bills late is 10 times that.
- False**—Credit bureaus simply gather information from creditors and compile the data. The consumer himself/herself determines whether it's a good or poor rating.
- False**—Employers, banks, landlords, and creditors are the only ones who have access to your credit records. Also, any creditor where you are applying for credit will be authorized if you give permission.

## Famous Entrepreneurs

Group Activity Helper's Guide, page 16

- |      |       |       |
|------|-------|-------|
| 1. L | 6. M  | 11. H |
| 2. A | 7. G  | 12. F |
| 3. E | 8. K  | 13. C |
| 4. J | 9. B  |       |
| 5. D | 10. I |       |





Discover over 180 National 4-H Curriculum titles in mission areas of Science, Engineering and Technology; Healthy Living; and Citizenship. Youth activity guides are filled with fun, engaging experiences that cultivate abilities youth need for everyday living as they progressively gain knowledge about subjects that interest them.

All titles have been reviewed and recommended by the National 4-H Curriculum Jury Review process, signifying their excellence in providing hands-on learning experiences for youth.

## Science, Engineering and Technology

---

### Agricultural Science

- Afterschool Agriculture

### Animal Science

- Beef
- Cat
- Dairy Cattle
- Dairy Goat
- Dog
- Embryology
- Entomology
- Exploring Farm Animals
- Horse
- Meat Goat
- Pets
- Poultry
- Rabbit
- Sheep
- Swine
- Veterinary Science

### Engineering and Technology

- Aerospace Adventures
- Electric Excitement
- Exploring 4-H Robotics
- Geospatial
- Sewing Expressions
- Small Engines
- Woodworking Wonders

### Environmental Science

- Exploring Your Environment
- Forestry—Forests of Fun
- Fishing for Adventure
- Outdoor Adventures

### Plant Science

- Down-to-Earth—Gardening in the Classroom
- Gardening

### Science Discovery

- Science Discovery Series

## Healthy Living

---

### Health and Fitness

- Bicycle Adventures
- Child Development—Kids on the Grow
- Keeping Fit and Healthy

### Nutrition

- Foods
- Microwave Magic

## Citizenship

---

### Communication and Expressive Arts

- A Palette of Fun
- Communications—Express Yourself
- ¡Qué Rico! Latino Cultural Arts
- Theatre Arts
- Visual Arts

### Community Action

- Citizenship—Public Adventures
- Service Learning

### Leadership

- Exploring 4-H
- Step Up To Leadership

### Personal Development

- Consumer Savvy
- Financial Champions

### Workforce Preparation

- Be the E—Entrepreneurship
- Get in the Act!

## Resources

---

- Experiential Learning Video

Find more about **Entrepreneurship**  
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## The 4-H Pledge

I pledge  
my Head to clearer thinking,  
my Heart to greater loyalty,  
my Hands to larger service, and  
my Health to better living,  
for my club, my community,  
my country, and my world.



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Entrepreneurship

# HELPER'S GUIDE



Love it!

Level 1

Do it!

Level 3

Plan it!

Level 2

Entrepreneurship Group Activities  
for Middle and High School Youth



REVIEWED & RECOMMENDED  
National 4-H Curriculum



Welcome to the



## Group Activity Helper's Guide

**T**hank you for volunteering your time and talents to assist one or more young people in this project, which will introduce them to the exciting world of Entrepreneurship. Your involvement will make a real difference in the quality of their experiences. You will play a valuable role in helping them learn the subject matter and practice important life skills along the way. Your interest, enthusiasm and, most importantly, your time will be key ingredients to positive and successful experiences. You will help nurture Entrepreneurial Leadership that will build a stronger economic future for our nation and the world. To learn more about your role, turn to page 2.

This guide can be used in conjunction with online and "BE THE e" Youth Activity Guides. One of the most valuable things you will do is to spend plenty of time interacting individually with each youth on each of the questions in each of the activities. You will also want to carefully go over the business plans they will produce. This will greatly expand and reinforce their learning.

## Acknowledgements

### 2004 4-H Entrepreneurship Design Team and Contributing Authors

**Doug Hovatter**, M.A., Coordinator,  
Assistant Professor, West Virginia  
University Extension Service

**Allan T. Smith**, Ph.D., Liason, National  
4-H Program Leader, National 4-H  
Headquarters, CSREES USDA

**Ann A. Berry**, Ph.D., M.B.A., Assistant  
Professor, Family Resource Management,  
Louisiana State University Ag Center  
Cooperative Extension Service

**Karen Biers**, Ph.D., Entrepreneurship/  
Homebased Business Extension  
Specialist, Utah State University  
Extension

**Amy Brenengen**, M.A., WomenVenture,  
Minnesota

**Manami Brown**, M.E.D., 4-H Youth  
Development Agent, University of Maryland  
Cooperative Extension

**Heather Gillich**, 4-H Member, West Virginia

**Janet E. Harper**, M.B.A., 4-H Agent  
II/Program Leader Pinellas County,  
University of Florida Extension

**Paul Hovatter**, M.A., 4-H Leader and  
Teacher, West Virginia

**Bridgette Howard**, 4-H Member, Maryland

**Laura LaPole**, M.A., 4-H Leader and Teacher,  
West Virginia

**Gary Larrowe**, Extension Specialist,  
Educational Resource Development,  
Virginia Cooperative Extension/VA Tech

**Carol Majors**, M.I., Entrepreneurship  
Education Consultant, Missouri

**Glenn Muske**, Ph.D., OCES Home Based  
and Micro Business Specialist, Oklahoma  
State University

**Patricia A. Hendricks**, Ph. D., Writer,  
Nebraska

**Northern Design Group**, Graphic Design,  
Minnesota

**Amy Hardee**, M.A., Photographs, South  
Carolina

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**Schreiber Foods, Inc.**, Lake Mills, WI,  
Allen Hendricks, Business Sales Manager –  
Specialty Cheese



**Love it!  
Plan it!  
Do it!**

## 'BE THE e' Entrepreneurship Youth Activity Guide

The Youth Activity Guide includes a series of three levels: Love it!, Plan it! and Do it!. The three youth levels have been designed for grades 6–7, 8–9, and 10–12, respectively, but may be used by youth in any grade based on their entrepreneurial project skills, experience, and interest. The **e** series may help a youth convert another 4-H project interest into a business.

Each activity is designed so the young person has an opportunity to learn by doing before being told or shown how. Your role as Project Helper is to "take a back seat" while the youth explores the activities and learns from the experiences, even when something doesn't work the first time the way you think it might. You can help with the learning most effectively by listening as the young person considers the questions and draws conclusions. At times the activity may call for you to be a resource person for content or other ideas.





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This 4-H project is dedicated to  
the memory of Hope Smith, 1939-2004,  
wife of Allan T. Smith, Ph.D., Liaison for BE THE e,  
4-H Program Leader.



Entrepreneurship  
Activity Guide  
in this series.  
BU-08035



## Level 1 Contents

- Chapter 1 - Me, the Entrepreneur?**
  - What is an Entrepreneur?
  - Where Does Stuff Come From?
- Chapter 2 - Self Discovery**
  - BE THE e
  - The e in Passionate
  - Turning Your Assets into Money
  - Time for Business
  - Social Expertise
- Chapter 3 - Investigating a Business**
  - The e Walk
  - Types of Businesses
  - Design and Refine
  - The Big Question, WIFM?
- Asset Inventory—**Reproducible**
- Your Social Competency Inventory—**Reproducible**



## Level 2 Contents

- Chapter 1 - Business and Economics**
  - The Language of Business
  - Econ 101: Common Sense Economics
- Chapter 2 - Getting Started**
  - Recipe for Success
  - Who's Doing It?
  - Beam My Idea Up, Scottie
  - Online or in Person?
- Chapter 3 - Promotion**
  - The e in Customer
  - The Business Name Game
  - How Do I Sell It?
  - Your Style is Showing
  - Meet the Press
- Chapter 4 - Legal Issues**
  - Customer Service and Social Sensitivity
  - Is a Handshake Enough?
  - Should I Hire Dad?
  - Who Gets the Credit?
  - Be a Legal Eagle



## Level 3 Contents

- Chapter 1 - Marketing**
  - Can I Make the Best Better?
  - Will Someone Buy It?
  - YOU are the Most Important Marketer
  - Being Nice, Does it Pay?
- Chapter 2 - Finance**
  - How Much Do I Charge?
  - Will I Make It?
  - Cash Flow Woe
  - Four Ways to Get Money \$\$
  - The Tax Collector Cometh
  - Know When to Hold, Know When to Fold
- Chapter 3 - Ethics**
  - Doing the Right Thing
  - Be a Community Hero
  - Who Pays for My Mistakes?
- Chapter 4 - Putting It Together**
  - Give Back
  - How Good Can it Get?
  - Do the Plan (Business Plan)



# Tips for working with Youth in *BE THE e*

## Role of the Home Helper

Every youth who is taking part in this project will benefit from having a Home Helper who interacts with him or her in the project. This can be a parent, an older sibling, another relative, a neighbor, or someone who just likes kids and is interested in entrepreneurship. The *Youth Activity Guide* is intended to be completed independently by youth, probably at home, between group project meetings of youth who are taking the Entrepreneurship project. The role of the Home Helper includes:

- Become familiar with the material in the activity guide.
- Support youth in their efforts to set goals and complete the activities.
- Date and initial the activities on the Achievement Program as the youth complete them.
- Help the youth know themselves, including their strengths and weaknesses.
- Incorporate the use of the experiential learning cycle in all learning experiences.

## Role of the Project Helper

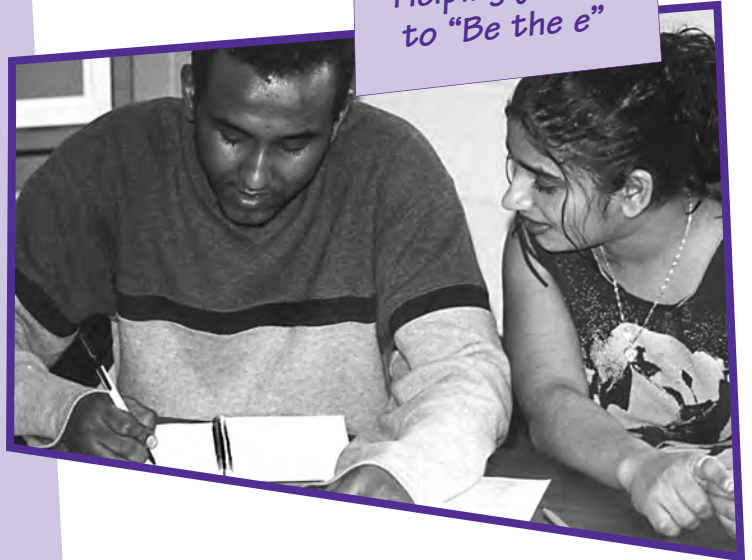
When several youth or a classroom of youth are taking part in the project together, monthly (or more frequent) meetings of the youth greatly enrich the experience for all. The Project Helper arranges for and conducts these meetings. In them, the youth can share their progress and learning, take part in group activities from this Helper's Guide, and be prepared for the next set of independent activities they will do before the next meeting. One key point: every meeting should include an element of fun!

This Helper's Guide is intended primarily for the Project Helper. When only one youth is taking part, the Home Helper will find the Helper's Guide extremely useful. While it is possible for the Project Helper of a group to function without each youth having a Home Helper, it certainly takes a great deal of time to interact individually with each of the youth on each of the questions in each of the activities!

## *BE THE e* Journaling

Young people enrolled in *BE THE e* series may benefit from keeping a journal or portfolio throughout their project. This can be a record of business ideas, potential customers, product ideas, notes about successful entrepreneurs, or whatever they think will be useful to them now and in the future. They may use the journal to record their responses to selected questions as indicated in the *EXPRESSIONS* section, and in *MORE e* challenges. Some youth like this type of activity; others may not. But each of them will benefit from "tracking their *e* journey" by creating some type of record of their thoughts. This is also another exercise in record keeping, one of the most important disciplines for business.

Helping youth  
to "Be the e"



## Using this *Group Activity Helper's Guide*

This guide provides additional learn-by-doing activities that can be adapted to 4-H Entrepreneurship project groups, clubs, or other groups. You'll also find helpful hints about characteristics of youth, life skill development, teaching experientially, project meeting ideas, and resources for organizing a community 4-H Entrepreneurship program. On pages 34–36 are Post-then-Pre Evaluation sheets to duplicate and use with youth as they complete each level.



# Structure of the Activities

The activities in this guide as well as *BE THE e* Youth Activity Guide follow the same format

## WHAT'S IN IT FOR ME

introduces the activity by including the main idea embedded in the lesson as well as the Entrepreneur Skill, Life Skill, National Education Standard, estimated time for the activity, and materials needed.

## eACTIVITY

gives the youth direction for completing the activity.

## eXPRESSIONS

asks youth to share their experiences by recording brief answers to questions and sharing these with the Home Helper. The questions help youth process the experience through the five important steps of the experiential learning cycle shown on page 4. There are four areas of discussion and reflection in this section: eXPERIENCE, eXPLORE, eXTEND and eXPAND. These are described more fully on page 5.

## MORE e

includes additional activities the youth may choose to do to expand the experience. These activities may be used to complete the Achievement Program for this level.

## eFACTS

are pieces of expert or statistical information that support the subject matter of the activity.

## eWords

are "entrepreneurial" words participants and leaders learn while completing each activity.



Explore more at  
[www.4-hcurriculum.org](http://www.4-hcurriculum.org)  
National 4-H Curriculum

can be accessed to expand on the knowledge learned in each activity and to find additional activities and resources.



Learning to  
think outside  
the box.

## HELP! I'm not an Entrepreneur!



You do not need to be an entrepreneur or even a business person to assist young people in learning about starting a business. Guiding youth on their entrepreneurial journey just requires your interest in being with, as well as learning along with, youth involved with this project. Don't feel as though you must be an expert in order to facilitate and encourage a group of young people. Research shows that even just the presence of a caring adult has a tremendous positive impact on the life choices youth will make.



# Learning by Doing, the 4-H Way

In the early 1900's, the progressive educators and USDA Demonstration Agents who began 4-H recognized the power of hands-on, minds-on, exploration of real world grownup activities as a way of youth learning and applying new ideas. Since then, we have learned more about how young people like to explore and discover, and how they like to be treated. Today the way 4-H teaches is called *life-skills based experiential youth development education*. The focus is equally on the youth and on the educational content.

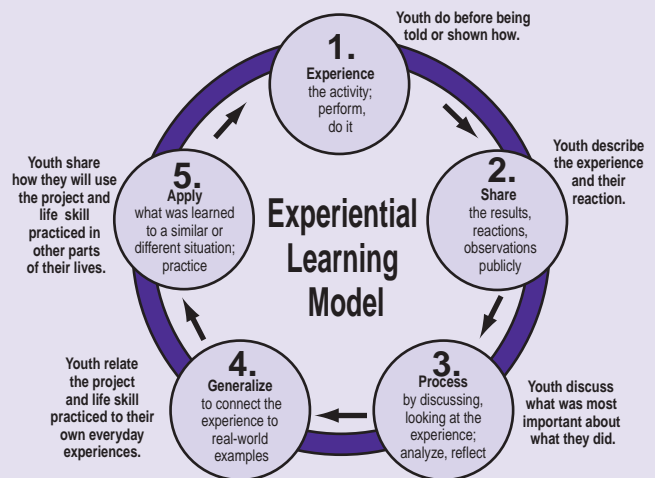
## Leading by Facilitating

In experiential learning, youth and adults share responsibility as partners in learning. The adult Helper (or facilitator) engages youth in the experiential learning process, guiding them as they become involved with information, design the learning experience, encounter the decision-making process, and measure achievement of goals. A variety of hands-on experiences are provided. Learning is usually accomplished through discovery or exploratory learning, with guiding questions that stimulate reflection and critical thinking skills. The Helper gives support and encouragement and serves as a resource to set the stage and provide access to needed information and materials. The Helper doesn't have to know all the answers!



## The Experiential Learning Model

To better understand the facilitation leadership style, think of it in terms of the experiential learning process and consider what the leader/helper might do at each step.



Pfeiffer, J.W., & Jones, J.E., "Reference Guide to Handbooks and Annuals" © 1983 John Wiley & Sons, Inc. Reprinted with permission of John Wiley & Sons, Inc.

Each of the activities uses the experiential learning model. Successful experiential learning results in project subject matter and personal life skills developing together in a single activity, or a series of related activities. Successful experiential learning engages learners in the activity, encourages them to think more, work harder, and ultimately learn more thoroughly than with traditional methods.

**"Experiential learning takes place when a person is involved in an activity, looks back and evaluates it, determines what was useful or important to remember, and uses this information to perform another activity."**

John Dewey



## The Experiential Cycle

### **Experience**

The model begins with an experience. Action! When the learner is involved in learning by doing before being told or shown how, a wide variety of life skills can be practiced. The life skill selected engages the youth in the experience. As Helper, you set the stage for the learning opportunity, help learners access the resources they need, and are available, if needed, for assistance. The strategy for learning, if new, is also described, discussed, or demonstrated. The learners are allowed to proceed with the discovery learning process.

### **Share (eXPERIENCE)**

As the model shows, sharing is simply asking individuals, “What did you do? What happened? What did it feel like to do (whatever)?” This step should generate lots of information that will lead to the process step. The Helper performs a subtle, nondirective role, helping group members to work together and share their skills and knowledge. The Helper also assures that all learners have a chance to contribute to the group experience.

### **Process (eXPLORE)**

The questions and discussion now become more focused on what was most important about the experience. Common themes that emerge from the sharing session provide opportunities to explore further. Discuss teaching points related to the subject matter. Look for differences and similarities, patterns, and relationships to connect the learning with previous learning.

### **Generalize (eXTEND)**

In this step the discussion becomes more personal. “So what?” is the question. What did the experience mean to me personally? How does it relate to my everyday life? While the subject matter alone could remain the focus of the discussion of all five steps of the model, life skill development is equally important and should be a major part of the discussion. Helpers should ask what life skills were practiced while doing the activity or during the experience. If youth worked in teams to complete an activity, then questions about teamwork would be appropriate. Likewise, if an activity calls for communicating skills, then communications skills could be discussed. Members of the group think about how their new knowledge can help them to accomplish other goals and explore even wider uses in other real life situations. The “MORE e” activities included help them generalize the concepts and principles they have learned. This step often leads to surfing the Web, checking a reference, or asking questions of someone who knows entrepreneurship.

### **Apply (eXPAND)**

What was learned? How can youth apply it to their lives? Better yet, can youth perform a different activity that requires the new skill to be used? Again, the emphasis is placed on the life skill practiced rather than the subject matter skill. This may lead to the evidence of program impact, and more thinking about what else learners need/want to know. This can become the next educational activity to build on what has just been learned.

## Learning Styles

Everyone sends and receives messages through sensory channels: seeing, hearing, and hands-on interaction. Some researchers include the sense of touch in the list. Learning occurs as we process information through all these channels. Research indicates, however, that each individual has a dominant learning channel or style. For example, one youth may learn best by seeing, but would have to consciously develop the other senses in order to learn as well from them.

Because not all youth learn the same way, we need to provide learning experiences and opportunities to see, hear, and do each time new material is presented.

**Auditory** – likes group discussions and oral presentations. Remembers what they or someone else says.

**Visual** – likes viewing or drawing pictures, illustrations, diagrams, and charts to illustrate and learn concepts.

**Kinesthetic** – prefers to be physically involved in the subject, role playing, doing an experiment, learning by doing. Learner needs direct involvement.

**Tactile** – touch is the key to learning. Making a product, feeling a product, or different textures helps learner remember.

Adapted from *Evaluating 4-H Curriculum Through the Design Process* - Barkman, Machtmes, Myers, Horton, Hutchinson

It takes experience, feedback, observation, and reflection to develop competence as a facilitating Helper. The first few times you do it, you may feel awkward. Fortunately, all of the activities in this series have been carefully thought out by people who are familiar with “hands-on” learning and reflection. Follow their suggestions in the activities, and before you know it, the youth will become involved in learning this way.



# Ages and Stages of Youth

Understanding general developmental patterns of youth will help you plan activities appropriate to the age group. But since not all youth of the same age will develop at the same rate, you will need to be sensitive to **diverse** personalities and differences in abilities.

## Young Teens (Grades 6–7, ages 12–13)

Growth spurts beginning with puberty occur at a wide range of ages, with girls usually maturing before boys. These rapid changes in physical appearance may make some teens uncomfortable. Treat youth sensitively according to their development, not their age.

Young teens move from concrete to more abstract thinking. They no longer deal only in real experience and facts. They begin to imagine, consider ideas, and form theories. Playing with ideas can be as much fun as playing sports. Ready-made solutions from adults are often rejected by young teens in favor of finding their own solutions. Leaders who provide supervision without interference will do well with this age group.

Small groups provide the best opportunity for young teens to test ideas. Justice and equality become important issues. Opinions of peers may be more important than opinions of parents and other adults. Teens enjoy the social interaction and acceptance they receive in peer groups.

Puberty is a time of self-definition. Young teens begin to test values and seek adults who are accepting and willing to talk about values and morals. Adults can help by providing activities that lead young teens to self-knowledge.

Adults should avoid comparing young people with each other, and should be careful not to embarrass them. Young people want to do something important and have opportunities to develop responsibility.





## Mid-Teens (Grades 8–9, ages 14–15)

Mid-teens tend to be wrapped up in themselves and their peer groups; families, teachers and other adults often become less important. Relationship skills are usually more developed than in younger teens. Acceptance by members of the opposite sex becomes more important towards the end of this stage.



Mid-teens begin to think about the future and make realistic plans. Their vocational goals influence the activities they select. Teens set goals based on their personal needs and priorities. Goals set by others may be rejected. As they master abstract thinking, teens can imagine new solutions that could challenge adult viewpoints.

These teens usually can initiate and carry out tasks without supervision. Allow youth to plan activities and evaluate outcomes. A leader can be helpful by arranging new experiences in areas of interest to mid-range teens. However, Helpers should allow input from youth in planning and evaluating activities, however. Think of yourself as a facilitator or coach for independent workers.

While teen development may result in unpredictable emotions, it also results in activities that have a profound influence upon development. As Helpers, never underestimate the impact your actions and words have on youth of any age.

## Older Teens (Grades 10–12, ages 16–18)

Future plans are important as youth finish high school and move on toward college, job, or marriage. In the transition to adult life, their goals for the future influence which activities they continue. In most cases they determine their own schedules and only general directions are needed when they do familiar tasks.

Close relationships develop as they become preoccupied with their need for intimacy. While they make and carry out serious decisions, they still need adults for support and guidance. Adults should serve as resource people, helping to stimulate teens' thoughts.





# Developing Life Skills

**Y**outh development is a process of mental, physical, and social growth during which young people prepare to live productive and satisfying lives within the customs and regulations of their society. 4-H is in the business of providing educational opportunities through which youth can learn information and develop skills they need.

High quality youth development experiences don't just happen. The best ones are carefully planned (a) to encourage life skill development while developing subject matter content, and (b) to achieve specific results. It has become increasingly important to be accountable for resources expended by documenting program impact. Post-then-Pre Evaluations of each level are included at the end of the project to measure impact.

A skill is a learned ability to do something well. Life skills are abilities individuals learn that will help them to be successful. In the Targeting Life Skills Model (Figure 1) categories of life skills are identified and divided on the basis of the familiar four H's from the 4-H clover that represent Head, Heart, Hands, and Health. Two general categories of life skills are included under each of the four headings.

The goal of youth programming is to provide developmentally appropriate opportunities for young people to experience life skills, to practice them until they are learned, and to be able to use them as necessary throughout a lifetime. Through the experiential learning process, youth internalize the knowledge and gain the ability to apply the skills appropriately.

## The Targeting Life Skills Model

The TLS Model (Figure 1) is intended to be inclusive for all possible life skills. The terminology in the TLS Model is not the same as that used in any one other current list of life skills. By being generic, the model allows those developing curriculum to incorporate any specific life skill that youth programmers may wish to include, using whichever terminology is descriptive of that skill.

There is not complete agreement on the specific life skills needed by youth, or on a set of desired behaviors that ensure success in life. It is easier to identify the problem behaviors that occur when the youth do not reach the expected societal goals. Researchers generally agree that life skills are learned through experience. Life skills must be practiced over and over before mastery is achieved.

Throughout the Entrepreneurship activities, an effort is made to be as specific as possible when describing which aspect of a life skill learners are to gain from a certain experience. Then the life skill is used to (a) help determine how the subject matter content is delivered, and (b) identify which observable measurable indicators (attitudes or behaviors) would demonstrate that change had taken place in the learners.

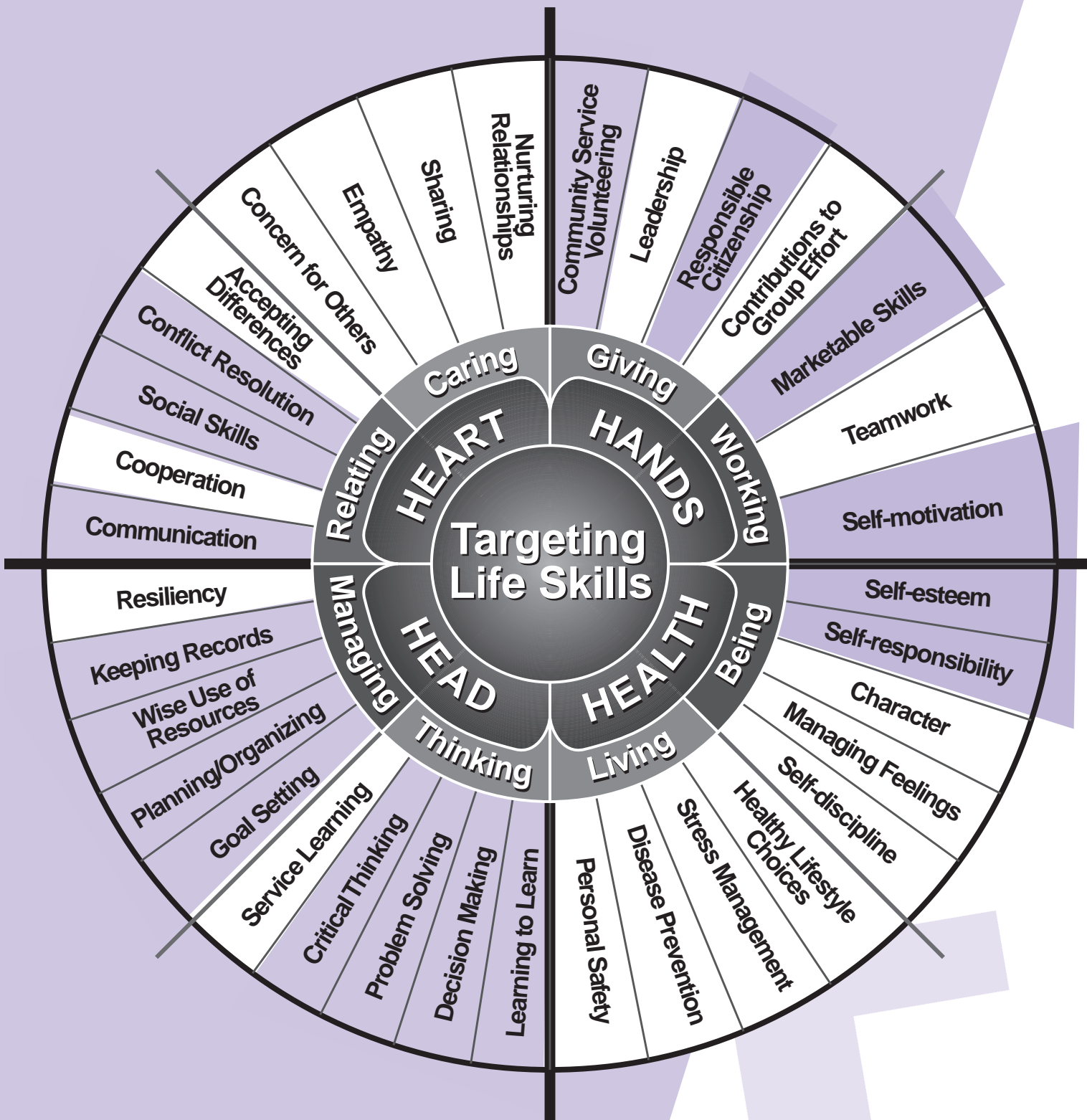
It is easy to overlook the obvious when matching life skills to subject matter. Life skill development occurs most effectively when closely matched to the content objective. The life skill gives direction to the way the subject matter content is delivered.

On the TLS model (Figure 1) all of the life skills highlighted are addressed within the activities of the Entrepreneurship series. Most of the targeted life skills are addressed numerous times, in different activities, to allow youth plenty of opportunity to practice the life skill. It is better to focus effort on a limited number of life skills rather than merely touch on all of them. The targeted life skills match closely to the life skills that are particularly needed by Entrepreneurs.





# Targeting Life Skills Model





# Making Meeting Plans

The Entrepreneurship series offers exciting opportunities for youth to develop important knowledge about themselves, about how an entrepreneur thinks, what s/he must know and what s/he does to succeed. Entrepreneurship groups that plan their meetings together are more likely to stay involved and interested. This activity is designed to help your group make plans that everyone will want to support. You will find activities for youth groups in the planning process.

## eACTIVITY

Your role is to create a setting in which youth can develop both entrepreneurship and life skills. Helping the group plan their annual program, or even just one meeting, takes a lot of patience and your ability to sit back and allow the youth to work through it together. While you may offer suggestions and support, planning is part of their learning experience and another opportunity to practice the planning/organizing skill. Here is a technique for generating ideas and arriving at decisions.

### Activity: Working Together

Have everyone review the topics in their level of the youth activity guide. Then ask each person to write ideas for group meetings and supporting activities (field trips, tours, community service, etc.). Sometimes youth generate more ideas by working together in groups of two or three, with one person writing down the ideas. Allow five to ten minutes.

Have one person or group share his/her/their ideas in a round-robin fashion. As the ideas are spoken, a designated person records them on a chalkboard or a large sheet of paper. List the activities quickly without discussion. After all ideas are listed, provide time for the person or group who suggested the idea to clarify or explain it. Others can add support, questions, or criticism. After a short discussion, move on to the next idea.

## WHAT'S IN IT FOR ME

The group will plan a program of Entrepreneurship meetings.

### Entrepreneur Skill:

Managing available resources

### Life Skill:

Planning and organizing

### Educational Standard(s):

Understand that effective decision making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something; few choices are "all or nothing" decisions.

### Estimated Time for Activity:

1 hour

### Suggested Size of Group:

3 to 30

### Materials Needed :

- pencils
- paper
- flip chart or chalkboard
- poster paper (optional)
- youth activity guides
- Interesting Group Activities, page 32

From all the ideas generated, discussed, and possibly combined, have each individual or group rate the items in order of preference on a separate sheet of paper. You may want them to have them indicate their top five, ten, or whatever choices.

Read each idea and have members rank them. Add up the numbers. Allow time to discuss the choices as they relate to the group's overall goals. From the decisions made, make up the list of topics for programs.

### Deciding Who Does What

Now that the group has decided what they want to learn more about, you will want to be sure everyone shares in the responsibility of seeing that it happens. Encourage as many youth and families as possible to have a specific job on the year's program. Providing recreation, demonstrations, refreshments, and hosting the main program are all possibilities. If the group is large, individuals may work together in teams.

### Completing the Program

Write an outline so everyone can see the plan taking shape. After the program is completed, make copies for each person involved. You might include a list of everyone's name and phone number, plus e-mail address, if the youth have access to e-mail. Take a few minutes after the planning session to talk about the process of planning.



## eXCHANGE

- How did you and the group make the plan for the year?
- How did you feel about the planning session?
- How was everyone involved?

## eXPLORE

- Why are decisions made through discussion more often accepted than those made by voting?
- Why is it important for youth and Helpers to work together on planning activities?

## eXTEND

- What life skills do you practice when working together?
- How does making a plan help you manage your time and your schedules?
- How will this experience help you plan family experiences?
- How will it help you plan in other areas of your life?

## eXPAND

- In what ways will your planning for next week or next year change as a result of this experience?

## Planning to Achieve Goals

- Where do you want to go? Identify your goals for the project.
- What do you want to do? Keep your goals in mind while exploring options for reaching them.
- Why do you want to do it? Know the reasons why your goals are important.
- How will you do it? Determine what activities will help you accomplish your goals.
- What do you need to do it? Line up the resources you will need.
- How you will know if you did it or not? Once you have made a plan, evaluate whether it will achieve the goals.

It is best to think of planning as a cycle, not a straight-through process. Each step is connected to the others, not just the ones before and after. It's more like a planning web. While implementing your program, you can revise your plan at any time if it doesn't provide the outcomes you want.

## Group Goals for the year

- All youth complete at least half of their achievement program.
- Plan and conduct a community service project.
- Involve each family in activities.

See page 32 for ideas for interesting group activities.

This is a  
good start.



Meeting Date and Time	Meeting Place	Meeting Activity	Who is Responsible?	What to do before the meeting
Nov. 6 7:00 p.m.	Johnson family	Interviewing a successful youth entrepreneur	Tom and Sharon	Write three questions you would like to ask



# Opportunity is Where You Find It!

Did you know that every daily paper is full of stories that suggest possible business opportunities?

**Entrepreneurs** develop successful responses to market needs or changing trends by paying careful attention to information available in the world around them. Youth will practice identifying potential business opportunities by reading the newspaper.

## eACTIVITY

Provide youth with copies of recent newspapers, one national such as the Wall Street Journal, and one local publication. Have them read through the sections that might provide information suggesting opportunities for entrepreneurial businesses. Each youth selects several stories of interest and notes the information on the chart below. The very best business situation exists when a person can use a hobby or skill s/he already enjoys to satisfy a demand caused by unmet needs in the community.

Story Title	Business Opportunity	Why you find it interesting

## WHAT'S IN IT FOR ME

Youth will use a newspaper to locate business ideas.

### Entrepreneur Skill:

Identifying potential business opportunities

### Life Skill:

Learning to learn: Using information

### Educational Standard(s):

Understand that entrepreneurs accept the risks in organizing resources to produce goods and services because they hope to earn profits.

### Estimated Time for Activity:

1 hour

### Materials Needed :

- copies of recent large city and local newspapers at least one per youth
- copies of chart below or paper for writing
- pencils

“Business ideas are everywhere!”



eWords • entrepreneurs



## eXPERIENCE

- How many stories did you scan to find possible opportunities?
- In what sections of the paper did you find articles suggesting opportunities for businesses?
- Was it easy or hard to find business opportunities that were interesting to you?

## eXPLORE

- What factors did you look for in selecting articles to read?
- What would it take to turn some of these opportunities into entrepreneurial businesses?
- What additional information would you want to use?

## eXTEND

- What business opportunities did you find that might be of interest to you?
- Why should you continually be on the lookout for business ideas?

## eXPAND

- How can you apply the skill of using available information to other areas of your life?
- What other business-related information might you use that is available in a local paper?
- How might you determine whether the information you found is accurate and dependable?

## eFACTS

### Success

Success comes about most often when the entrepreneur pursues a business for which s/he truly has a passion, and is happy to work hard at.

## MORE e

1. Apply what you have learned by playing a brainstorming game, "I really hate it when \_\_\_\_." It is a technique for finding business opportunities in "bad" situations. First, make a list of situations that really are "bummers" for you such as, "I really hate it when I have to clean my room." Then list potential products or services that might improve the bad situation.
2. Begin a file, a journal, or a scrapbook, to collect ideas you find interesting that might be developed into entrepreneurial businesses.
3. Locate and view the video tape "Do What You Love," available from Film Ideas, Inc. 3710 Commercial Avenue, Northbrook, IL 60062. It features three teen entrepreneurs who demonstrate being self-starters and opportunity seizers. Pick out the tips on business research and planning, and on putting your ideas into practice.



# Entrepreneurs of the Past

Have you ever wondered how famous entrepreneurs of the past got started, and where they got their ideas? Here's a chance to learn more about the particular skills and talents they converted into careers!

Entrepreneurs find ideas and get started in a variety of ways. There is no one best way. Entrepreneurs respond to both their own values and to the forces in the environment around them. No single set of rules will make a business successful. In fact, many entrepreneurs got where they are today by going beyond some of the rules accepted at the time.

Youth's own skills and interests will lead them to identify possible business opportunities that may emerge from problems, wishes or shortages.

Youth will identify previous entrepreneurs who were inspired or got their start in their youth. Read examples of how entrepreneurs find ideas and decide to start their own businesses. Learn how **serendipity** may have played a role. Recognize how often very few resources are necessary to start a business. Youth will discuss how events around them may lead to a decision to start a business. They will identify business opportunities available in their community.



Divide the group into two or more teams of four. Post the list of names of entrepreneurs so all can see them. If an electronic Quiz Bowl set is available, make a U shape of three tables with a team of four seated on each leg of the U. Place the lighted scoreboard on the center table. Read one sentence at a time. The first team to press the button gets first chance to match a name to the sentence. If a Quiz Bowl set is not available, the team leader raises a hand, rings a bell, or blows a whistle to signal. The team scores one point for a correct answer. If they are incorrect, the opposing team gets a chance to answer the question.

## WHAT'S IN IT FOR ME

Youth will study previous entrepreneurs who started as young people.

### Entrepreneur Skill:

Identifying how certain skills, talents, ideas, or events can trigger an entrepreneurial venture

### Life Skill:

Learning to learn: Acquiring information

### Educational Standard(s):

Can read short biographies of several entrepreneurs, list the pertinent characteristics of each entrepreneur, make a generalization about the non-financial incentives that motivate entrepreneurs, and identify the risks or disincentives entrepreneurs face.

### Estimated Time for Activity:

45 minutes

### Materials Needed :

- copies of pages 15 and 16 for each youth
- pencils
- bells or whistles

After identifying entrepreneurs, discuss what the entrepreneurs did, how they did it, how they got their ideas, what they needed to get started and how they put everything together.

(Use page 16 for the activity.)



## eXPERIENCE

- Which entrepreneur's idea was most exciting to you?
- How did you know which entrepreneur matched which activity?
- What do you think about where and how these entrepreneurs got their ideas?

## eXPLORE

- Pick a favorite entrepreneur from the list and answer the following questions about his or her experience.
  - What contributed the most to the entrepreneur's success?
  - How might the entrepreneur have done it differently?
  - Do you think this business could be successful if it started today? Why or why not?

## eXTEND

- How has this information changed your thoughts about what it takes to be an entrepreneur?
- What talents, skills, or ideas do you have that you want to turn into a business within the next six months?

## eXPAND

- What do you know about where any local business owners got their startup ideas?
- What events in today's world might create a business idea?
- What school project have you done that could turn into a business idea?

## Entrepreneurs of the Past

Most entrepreneurs earned money when they were teenagers by babysitting, mowing lawns, delivering newspapers, sacking groceries, etc.

**"A person who never made a mistake never tried anything new."**

Albert Einstein

"Entrepreneurs are about loving their journey, not their destination."

...from the introduction to *Been There, Done That* by Tom O'Malia.

This quote shows the excitement and fun of being an entrepreneur.

An entrepreneur is not the same as being a small-business person. The entrepreneurial mind set can operate in all sizes and types of businesses.

## MORE e

Interview one of your grandparents or another senior adult about the inventions during their youth or young adulthood. Find out what kind of jobs they had during their teenage years.



Your own skills and interests  
will lead you to identifying  
possible business  
opportunities that may emerge  
from problems, wishes or  
shortages.



# How Some Famous Entrepreneurs Got Their Start

1. \_\_\_\_\_ Inventor of the popsicle at age 11.
2. \_\_\_\_\_ Created the world's largest bookstore.
3. \_\_\_\_\_ Made her first speeches at age 3.  
Is still talking today.
4. \_\_\_\_\_ Started the business after taking a \$5  
correspondence course.
5. \_\_\_\_\_ Created his computer business while in his first  
semester of college.
6. \_\_\_\_\_ Co-developed his first software program at age  
15 to measure traffic flow.
7. \_\_\_\_\_ At age 9 started selling soap and cosmetics.  
Later at age 16 turned to selling postcards.
8. \_\_\_\_\_ At ages 21 and 22 took the work out of  
bicycling.
9. \_\_\_\_\_ While in high school, begin his TV career as a  
puppeteer.
10. \_\_\_\_\_ As a teenager sold milkshake mixing machines.  
Continued doing that until a hamburger store  
ordered eight at one time. He then bought that  
company.
11. \_\_\_\_\_ At age 21 bought his first pizza store for \$900  
and made the decision to "be a pizza man."
12. \_\_\_\_\_ The "Salesman of the Century" started with  
household products at age 16 and today still  
may be TV's top sales person with the Showtime  
Rotisserie.
13. \_\_\_\_\_ Wrote the basic business plan for FedEx while in  
college. Got a "c" for his efforts because it was  
not feasible.

## Word Bank

- A. Jeff Bezos
- B. Jim Henson
- C. Fred Smith
- D. Michael Dell
- E. Oprah Winfrey
- F. Ron Popeil
- G. Joyce Hall
- H. Tom Monahan
- I. Ray Kroc
- J. Ben Cohen & Jerry  
Greenfield
- K. William Harley &  
Arthur Davidson
- L. Frank Epperson
- M. Bill Gates

**HINT:** If some of these names are unfamiliar, log on to Google and type in the name. You'll be amazed how much you learn about these entrepreneurs!!



# You as an Entrepreneur

Although certain traits are desirable, there are no specific traits that an entrepreneur must have to be successful. Most of the things involved in developing and operating a successful business can be learned, or a substitute can be found, or someone else can be involved to help in that area.

But there is one element that is required, that must be in place and for which there is no substitute, nor can someone else do it. It is having **PASSION**. That passion might be to be your own boss, or to be creative, or a desire for change. Whatever the passion is, it's a "must." It is passion that gets entrepreneurs through difficult times with the necessary drive to find answers to seemingly unanswerable questions.

The traits listed are just examples of areas where the business owner must be prepared to act. These areas can be combined into four general categories—physical energy/motivation; business orientation; business attitude; and people skills. Each of these areas is linked to successful businesses. Each of these areas is something you can learn if you do not currently have it. Nothing is stopping you. You can achieve business success.

## eACTIVITY

Self understanding is important when starting a business. Potential business owners must know their own strengths and weaknesses.

1. Youth will complete the "Rate Yourself" self test.
2. Then discuss with them:
  - a. the traits that are important in developing a business
  - b. how they might develop those traits that they may not have



One thing that all successful entrepreneurs must have is **PASSION**. You must love what you do! Nothing else keeps you going, and no one else can have it for you. Whatever your passion is, it must be your own.

## WHAT'S IN IT FOR ME

Youth will understand their strengths as prospective business owners.

### Entrepreneur Skill:

Planning for business ownership

### Life Skill:

Understanding one's abilities, strengths, and limitations

### Educational Standard(s):

Understand in addition to profits, entrepreneurs respond to other incentives including the opportunity to be their own boss, the chance to achieve recognition, and the satisfaction of creating new products or improving existing ones. In addition to financial losses, other disincentives to which entrepreneurs respond include the responsibility, long hours, and stress of running a business.

### Estimated Time for Activity:

1 hour

### Materials Needed:

- a copy of the "Rate Yourself - Are You Ready to Start a Business?" self-test (page 18) for each youth
- pencils or pens





# Rate Yourself – Are You Ready To Start A Business?

Successful entrepreneurs understand what they like to do, what they do well, and what they do not like to do. With this knowledge, owners can better operate their businesses. The following self-test will help you understand yourself as a business owner. Under each question, check the answer that is the closest to how you feel about yourself.

1. Are you a self-starter?
  - A. ☐ I do things on my own. No one has to tell me to get going.
  - B. ☐ If someone gets me started, I keep going.
  - C. ☐ Easy does it. I don't put myself out until I have to.
2. How do you feel about other people?
  - A. ☐ I like people. I can get along with almost anyone.
  - B. ☐ I have plenty of friends—I don't need anyone else.
  - C. ☐ Most people irritate me.
3. Can you lead others?
  - A. ☐ I can get most people to go along with me without much difficulty.
  - B. ☐ I can get most people to go along with me if I push them.
  - C. ☐ I let someone else get things moving.
4. Can you take responsibility?
  - A. ☐ I like to take charge of things and see them through.
  - B. ☐ I'll take over if I have to, but I'd rather let someone else be responsible.
  - C. ☐ There's always some eager beaver around waiting to show how smart s/he is. I say let him/her.
5. How good an organizer are you?
  - A. ☐ I like to have a plan before I start. I'm usually the one to get things lined up.
  - B. ☐ I do all right unless things get too confused. Then I quit.
  - C. ☐ I just take things as they come.
6. How good a worker are you?
  - A. ☐ I can keep going as long as necessary. I don't mind working hard.
  - B. ☐ I'll work hard for awhile, but when I've had enough, that's it!
  - C. ☐ I can't see that hard work gets you anywhere.
7. Can you make decisions?
  - A. ☐ I can make up my mind in a hurry if necessary, and my decision usually turns out okay, too.
  - B. ☐ I can if I had plenty of time. If I have to make up my mind in a hurry, I usually regret it.
  - C. ☐ I don't like to be the one who decides things.
8. Can you stick with it?
  - A. ☐ If I make up my mind to do something, I don't let anything stop me.
  - B. ☐ I usually finish what I started—if it goes well.
  - C. ☐ If it does not go well right away, I quit. Why beat your brains out?
9. Are you comfortable talking to adults?
  - A. ☐ I do not have any problems talking with adults.
  - B. ☐ I only talk with adults when I have to.
  - C. ☐ I rarely if ever talk with adults.
10. How good is your health?
  - A. ☐ I never get run down!
  - B. ☐ I have enough energy for most of the things I want to do.
  - C. ☐ I run out of energy sooner than most of my friends do.

Now count the checks you made.

How many checks are beside letter A? \_\_\_\_\_

How many checks are beside letter B? \_\_\_\_\_

How many checks are beside letter C? \_\_\_\_\_

If most of your checks are beside the letter A, you probably have what it takes to run a business. If not, you're likely to have more trouble than you can handle by yourself. Better find a partner who is strong on the points where you are weak. If many checks are beside the third answer, not even a good partner will be enough for success.



## Characteristics and Traits of Entrepreneurs

### eXPERIENCE

- Which of the questions do you believe is most important to running a successful business?
- How sure are you that the checks you made really describe your characteristics?
- How do you feel about the results from this checklist?

### eXPLORE

- What did you learn about how well your personality and traits lend themselves to being an entrepreneur?
- In what ways might you strengthen your entrepreneurial characteristics?

### eXTEND

- How does knowing your personal traits help you?
- What other things would you like to learn about yourself through questionnaires such as this?
- How would these same traits be helpful if you worked as an employee and did not own your own business?
- What other things does an entrepreneur need to know or be able to do beyond those on this questionnaire?

### eXPAND

- How might the results of this experience influence your life decisions about starting a business?

- **Determined**  
Shares credit and rewards
- **Persistent**  
Strong need to achieve
- **Person of high integrity and reliability**  
Willing to burn own bridges
- **Practical and realistic**  
Restless
- **Usually self confident**  
Work oriented and energetic
- **Moderate risk taker**  
Totally committed
- **Goal oriented and hardworking**  
Job mobile
- **Enjoys an affiliation with other people**  
Unusually independent
- **Resists power and status**  
Of superior memory
- **Likes to make money and enjoys what it buys**  
Realistic
- **Moderately educated**  
Not easily disappointed or discouraged
- **Challenge seeker**  
Action oriented
- **Willing to put money and reputation on the line**  
Intense desire to overcome hurdles
- **High tolerance of ambiguity**  
High sense of urgency
- **Wants to get the job done**

e  
Love it!



# Mom Doesn't Care

Youth, like most business owners, want to get their businesses up and running as fast as possible once they have an idea. In the desire to quickly get the business started, the owner often fails to do the necessary planning. That means some important details are overlooked such as obtaining adequate space for manufacture or assembly of the product, knowing where the center of operations will be for the service provided, or obtaining the necessary permissions, licenses and permits. Communications and contacts that are needed are not made. **Assumptions** are made about what can be done and the entrepreneur moves on to another task.

We sometimes move ahead too quickly, assuming that things are going to be easy and that they will go the way we want. We are surprised that other people don't see it the same way we do. The lack of communication and planning leaves the business owner open to problems later, and possibly to even having the business close.

It is important that business plans are communicated clearly to all others who will be involved in, and affected by, the enterprise. It is also important that the communication is acknowledged by the necessary people.



1. Begin with the following role-play. Involve youth in developing an ending to the role play by working through how they might solve the problem. If there are enough young people, divide into small groups to work out more than one ending. A discussion of the various outcome possibilities will help point out the planning that needs to be done.
2. Youth with a Helper or as a group should now discuss what the next steps might be for Rebecca, Sandy and Rebecca's mother. Allow about 15 minutes for the youth to work out their ending(s).

## WHAT'S IN IT FOR ME

Youth will experience the role of clear communication in making business agreements.

### Entrepreneur Skill:

Developing business agreements

### Life Skill:

Communication: Effectively sharing information

### Educational Standard(s):

Understanding that entrepreneurs accept the risks in organizing resources to produce goods and services because they hope to earn profits.

### Estimated Time for Activity:

30 minutes

### Materials Needed :

- paper
- pencils
- copy of role play for each youth
- props: boxes, papers

## Role Play

**Youth 1** (Rebecca): *(talking to a friend as they walk into her house)*

"We can pile all of these supplies to make jewelry over in the corner of the kitchen on mom's desk. She never uses it. It just has a lot of paper piled on it. Just pile all of her stuff on the table."

**Youth 2** (Sandy): "Are you sure this is okay with your mom?"

**Youth 1** "Of course! Mom doesn't use this desk and she keeps telling me that I need to learn more about money. She'll love the idea that we are going to make jewelry to sell at craft shows. I just got my driver's license so we can cover all the shows in the state."

*(Youth move papers, put their boxes on the desk and go back outside to get more. Mom then walks in coming home from work.)*

**Mom:** "What in the world is going on? Why are all these papers on the table? Where are those bills I had to pay this morning and the birthday card for Uncle Bob? And where is my report for tomorrow's presentation?"

**Youth 1** returns with more boxes. She walks in, drops the boxes on the desk and turns around to go outside.

**Mom:** "What are you doing?"

**Youth 1** "Oh, hi Mom. Sandy and I have decided to follow your advice. We are going to make that jewelry you always brag about and sell it at craft fairs. We decided to set up our business on the desk. Oh, and we may need to use the table to make our stuff. We never use the table and the desk is just a pile of junk so I knew it would be okay."

**Mom:** "You can't do that! We need the table to eat on. And that desk is where I keep all of my important papers."

**Youth 1** "But Mom..."

**Mom:** "No. Get that stuff out of here and put my things back where they were. And while you are at it, where did you put the bills I had to pay, the birthday card for Uncle Bob, and my report for tomorrow's presentation?"

3. Youth could continue the skit and role-play through a negotiation for what space might be used.

You might ask an adult to play the mother's role or have the youth and adult switch playing each role.



## eXPERIENCE

- What happened that created the situation in the role play?
- How do you think Rebecca felt?
- How do you think her mother felt?

## eXPLORE

- What assumptions did Rebecca make?
- How did Rebecca handle the situation?
- What could Rebecca have done that would have resulted in a satisfactory ending?
- How is communicating with an adult the same as/different from communicating with someone your own age?

## eXTEND

- Have you ever made a decision based on an assumption that someone else was in agreement with you, or that they would do what you wanted? What happened?
- What can you do ahead of time to help prevent such a misunderstanding?

## eXPAND

- What does this role play suggest that you need to plan for?
- Who will you need to talk with about your business plans?
- What can you do to improve your ability to communicate with the adults in your life?

## Communication is the Key

- Communication is the exchange of information between individuals.
- Communication requires that messages are sent and received for communication to have taken place.
- Clear communication requires both a sender (speaker or performer) and receiver (listener or observer) of the message without interruptions or misinterpretations.

# MORE e

1. Youth can do a role play about the use of the family vehicle for their business. Discuss whether the youth is old enough and/or responsible in the parents' view to have the car; how to share the cost of insurance, gas, and repairs; and how to prioritize the use of it among all family members.
2. Youth can role play making assumptions about the use of the family telephone for a lawn-mowing business. How would the phone be shared or who would pay for another phone? Discuss such things as handling messages, making appointments, and the length and time of all phone calls.



# Opportunity and Opportunity Cost

## What Do I Give Up?

Opportunities are around us each day. It is challenging to decide which ones to choose. The higher the risk of the opportunity, the more discomfort we experience. This activity will help youth realize that all opportunities have cost. They will understand the process and how to evaluate an opportunity based on what it will cost them.

Entrepreneurs have learned the importance of decision making and knowing the opportunity cost of their decisions. Everything in life has an **opportunity cost**. Sound decisions, and knowing why those decisions were reached, are important as you evaluate business opportunities. Successful entrepreneurs evaluate their opportunity cost when they use their resources. How they will use their time and money for one opportunity is deciding they cannot commit to other opportunities. They have learned to wisely use their resources based on what their return or profit could be. To consider opportunity cost will not only help you make better decisions, it will raise your comfort level, especially when there is greater risk with the opportunity.

## ACTIVITY

How we decide to use our time is very important. Every day we are surrounded by things we can do: watch TV, play sports, visit with friends, or do homework. Making a decision is hard and often means we must decide what to give up, or what we will not do. This activity helps youth understand that opportunities have cost, and they need to better evaluate how they choose to spend their time.

Put the five snack items in front of the group. If they could have only one of the snack items such as candy bar, fruit, energy bar, popcorn, or other, which one would it be? Have youth take turns placing the snack items in

order of preference. The one they pick first is the one item that they like best. The second choice is the *opportunity cost* of their decision. In order to pick just one, they have to choose which ones not to take. They have opportunity to take any one of the five.

Have each one explain how they reached their decision of which snack to choose over the others and why.

When faced with several choices or opportunities, people need to have good decision-making skills. It is very important to know what decisions will cost. What are you willing to give up to take advantage of an opportunity?

## WHAT'S IN IT FOR ME

Youth will begin to make decisions based on forethought of cost.

**Entrepreneur Skill:**  
Thinking of cost

**Life Skill:**  
Decision Making: Choosing an alternative

**Educational Standard(s):**

- Economics: Understand choices need to be made because resources are scarce.
- Careers and Life Skills: Set personal and learning goals related to career and life interests.

**Estimated Time for Activity:**  
1 hour

**Materials Needed :**

- five snack items such as candy bar, fruit, energy bar, popcorn, soft drink

They're worth it!





## eXPERIENCE

- Why is it important to understand opportunity cost?
- Was it more difficult to decide what to take or what you wouldn't take?

## eXPLORE

- How did you reach your decision for your first choice?
- How did not having the other items make you feel?

## eXTEND

- Why should we know what we were willing to give up to take advantage of an opportunity?
- How will understanding opportunity cost help you make a better decision about your use of time?

## eXPAND

- How does having information about opportunity cost help you with decision making?
- What would be an easier way to tell others something about opportunity cost?

## Reading

From the age of 13 until she was 18, Oprah Winfrey's father had her read a book and complete a book report each week.

## MORE e

1. Talk with several of your friends. How do they decide what they will do? What methods do they use in making decisions?
2. Start listing your opportunity cost and benefits from your decisions. For one week, using a T chart with headers of cost on one side and benefits on the other, keep track of what your decisions cost you and what benefits you received from your decisions. At the end of the week compare the cost/benefits and review the results of your decision making.
  - How might your decisions have been different for the week?
  - What changes would you make? Why?

Love it!



Realize that while you have been working on this activity, you could have been doing something else, being with your friends, watching a video, playing a video game, or talking on the phone. By choosing to work on this activity you made a decision you felt was the best for the use of your time right now.

Decision	Cost	Benefit

*"Make up your mind to act decidedly and take the consequences. No good is ever done in this world by hesitation."*

Thomas Henry Huxley



# “Art” You in Business?

People are needed in many different roles to take a product from the idea stage to the marketplace, whether creating art or conducting a business. Using an art exercise to engage the creative side of their minds, youth experience how creating a work of art is similar to being an entrepreneur. Both involve the creation of something new. During the group process, individuals each contribute using a role suited to their skills and interests.

This activity demonstrates that participants have natural abilities that help determine which role they play, and they also have the ability to adapt. They are able to take on other roles as needed and/or required, depending on the skills and abilities of other members of the group and the task to be completed. Potential business owners need to understand their skills and abilities, especially the ones that they are most comfortable using. These skills and abilities help determine the way they function when interacting with other people.

## eACTIVITY

Divide the youth into small groups of six to eight people. If possible, seat groups at a table or tables. Distribute art materials among the groups for use in the activity. If groups aren't seated where they can all reach materials, provide each group with some items in a box or sack. Groups do not have to have the same items.



## WHAT'S IN IT FOR ME

Youth will identify roles people play when working together on a task.

### Entrepreneur Skill:

Comparing peoples' abilities and skills with roles necessary to take an idea to market

### Life Skill:

Contribution to group efforts

### Educational Standard(s):

- Make connections between visual arts and other disciplines.
- Understand and use similarities and differences between characteristics of the visual arts and other arts disciplines

### Estimated Time for Activity:

about 1 hour

### Materials Needed :

- art supplies such as toothpicks, ribbon or string, straws, paper tubes, sponges, stickers, napkins, tape, colored paper, markers, other miscellaneous items
- scissors
- glue

## eFACTS

A person's position in a group is in relation to all the positions held by others; it is his/her place in the social system. A person's position in the group identifies her/his relative power, leadership, and sometimes attractiveness.

it!



# Art Activity

**1.** For this activity, you are professional artists. There is an art show where you are to enter your work. Working together in small groups, and using the materials provided, design and create a work of art.  
(10 minutes)

**2.** Discuss within your group the roles that were used by different individuals to accomplish the group task. Identify at least five roles played by individuals in the group. Make a list of the roles, describe and or name the roles, how they were determined, and what contribution each made to the group process.  
(10 minutes)

**3.** Join the groups back together, share what happened, and the roles that people used.  
(10 minutes)

**4.** Working together (or in small groups again if the entire group is large), youth discuss each role and who played each role in their group. Answer the following questions:

- How did you recognize the role you played?
- How does knowing the role you played help you understand your own abilities and interests?
- How can knowing the role you played be used when working with other people?

(10 minutes)

**5.** In the large group, compare and contrast the roles identified and how each might be used in a business. Discuss how identifying the roles played by other individuals in the group will help youth understand roles other people play, how they interact, and how they might take on a different role to better achieve their purpose.  
(10 minutes)

**6.** Have each group display their work of “art” and share with the entire group how it feels to successfully accomplish a task together.



Discuss these with the group.

## eXPERIENCE

- How did you identify the roles that were played?
- How did you identify the role you played?
- What was the most difficult part of people finding the role they play successfully?

## eXPLORE

- How was it determined in your group which roles people played?
- Were you comfortable in the role you played?
- What did you know before about people having different abilities and interests that determine roles they play in business?

## eXTEND

- How was the role you played effective in accomplishing the goals of the group?
- What changes would you make in how you played your role?
- What abilities and skills did you identify that you didn't know you had?
- How does what you learned about yourself apply to your ideas about becoming an entrepreneur?

## eXPAND

- How can you become more skillful and improve your ability to become a business person?
- How can you identify the roles that are needed in your business? How will you use your personal abilities and skills in your own business?



## Possible Roles in the Group

*Idea Person – has original thoughts; conceives and imagines innovations, offers suggestions*

*Worker – has high involvement with the issue and its meaning; evaluates the situation, contributes to discussion, and carries out the task*

*Problem Solver – an action person and decision maker; determines a course of action to resolve the problem, has high task related skills*

*Time Keeper – is the clerk or recorder; keeps group on task and on schedule*

*Marketer – contributes/promotes/sells the idea to the group and others*

*Leader/Organizer – knowledgeable, dependable; aims for goal achievement, task leader*

*Social Enactor – a people person, positively oriented toward others; likeable, strives for equalitarian structure and interpersonal exchange/communication*

*Scavenger – cleans up the idea/issue and clearly defines it for the group; keeps focus and zeros in on the situation*



# Who Can Help Me?

Starting a business will require youth to make many decisions about things such as assessing competition and pricing, advertising and marketing the product or service. There are **resources** all around that can help make a business opportunity successful. This activity helps youth **brainstorm** several resources that are available to them, how those resources can help in making the business successful, and how and when to contact those resources.

## eACTIVITY

Involve the youth in brainstorming and listing resources that they have available to them including people, technology, equipment and skills. They might include a family member who owns a business, and a website offering entrepreneurial resources.

After they have listed potential resources, have them identify how those resources can help them.

Complete the information on how to access the resource, and a time for doing it.



## WHAT'S IN IT FOR ME

Youth will identify resources (people, technology, equipment, skills, etc.) that can help them with their business.

**Entrepreneur Skill:**  
Identifying resources to make a business successful

**Life Skill:**  
Decision Making: Gathering information

- Educational Standard(s):**  
Understand concepts:
- Productive resources are the natural resources, human resources, and capital goods available to make goods and services. Natural resources such as land are “gifts of nature.” They are present without human intervention.
  - Human resources are the quantity and quality of human effort directed toward producing goods and services.

**Estimated Time for Activity:**  
30 minutes

- Materials Needed :**
- paper
  - pencils

Resource	Potential help	How and when to contact



### eXPERIENCE

- How easy is it to identify resources that can help you in your business?
- How do you know what resources are available?
- Why must some resources be contacted before others?

### eXPLORE

- Why is it important to be specific in knowing who can help you and what help they are able and willing to give?
- Why is it important to identify your resources before you begin making decisions?
- How does knowing that help is available make you more confident in making decisions?

### eXTEND

- Why does having people as resources help you to make better decisions in other areas of your life?
- Why is it important for you to gather enough information to make good decisions?
- Have you ever made an important decision without having enough information? What happened?

### eXPAND

- What decision do you need to make now and what resource is available to help you?
- What do you think is the greatest resource you have for starting a business?
- Are there areas in which you have yet to identify resources?

## eFACTS

### Using Resources

Wise use of resources is a critical life skill for each of us, especially for entrepreneurs who want to maximize their business profit. Identifying necessary resources is essential before you start your business journey.

## MORE e

1. Invite a local business person, faculty member at a business school, or other person with entrepreneurial experience to speak to the group, answer their questions, and serve as a mentor.
2. Have the youth contact faculty members at a business school, in person or by mail, and ask them questions about entrepreneurship.
3. Search databases from nearby universities, or on the Internet, to find other resource people who can answer your questions about starting a business.



# Marketing Mania

People often have resources that they may not recognize. Entrepreneurs need to explore all possibilities and use everything available to them to build business, develop new products or provide services.

## eACTIVITY

Divide the youth into groups of three to five individuals. Provide each group with a small brown paper bag of various resources. Each bag holds several different items that provide their resource base. The items can be very inexpensive, such as cloth, paper clips, markers, straws, cardboard tubes, rubber bands, card stock, finger paints, styrofoam cups or plates and beads.

Inform each group that they must use their bag of resources to develop a product. They need to design and build a prototype, establish their **target market**, and name the new item. The youth also need to develop a **marketing campaign** to include a jingle and advertising to let the world know about their new item.

Allow 30 minutes for groups to build their product.

Ask each group to give a five minute presentation on their product, target market, prototype, and marketing plan.

## WHAT'S IN IT FOR ME

Youth will create products and develop a marketing strategy to promote them.

### Entrepreneur Skill:

Identifying available resources

### Life Skill:

Wise use of resources: Creative use of available items

### Educational Standard(s):

Compare the benefits and costs of different allocation methods in order to choose the method that is most appropriate and effective for some specific problem.

### Estimated Time for Activity:

35 minutes

### Materials Needed :

- brown bags of miscellaneous items





## eXPERIENCE

- What ideas did you have?
- How did you decide what to produce?
- How did you identify your target market?
- Describe the process you went through to select a name for your product.

## eXPLORE

- What other products did your group think about producing but were missing resources?
- Give examples of other resources that entrepreneurs may use.

## eXTEND

- Choose any product that is available to the group. What resources are necessary to actually produce it? Be sure to include the necessary intellectual resources as well. What ways can the product be marketed? What is the target market for the product?

## eXPAND

- Discuss marketing strategies of companies with which you are familiar and how they target their customers.

## eFACTS

Some marketing strategies are: flyers, billboards, business cards, websites, TV/radio commercials, Yellow Pages, newspaper ads, one-on-one, and word of mouth. Marketing is BIG Business. For example, \$3.3 million dollars was spent for each 30-second commercial during the 2004 Super Bowl game.

## MORE e

1. Have each group exchange resource bags with another group and repeat the activity. Ask them to produce a different item than was made during the first round.
2. Have two or three of the small groups combine their resources to see if they can produce different products. Following the activity, discuss the difference it makes to have more resources.
3. Divide the group into teams of two or three people. Assign each team a different marketing strategy for the new product (flyer, newspaper ad, website, or commercial).
4. Walk with the group down a sidewalk in a business district or a strip mall and discuss the different marketing strategies being used.



- marketing campaign
- target market



# Will it Work?

The **business plan** that the youth have now developed helps to organize their creative ideas and goals for the businesses they plan to start. The businesses are defined, cost and profit estimated, goals set, the market researched, target customers identified and the marketing plans developed. Now it is time for each youth to present his/her plan to an investor! But, before setting appointments to meet with financial backers, it is important for each one to practice his/her presentation. It is beneficial to present to you, the Helper, members of the group, or an employer with experience in developing a business plan. The purpose of the presentations is to see how prepared the youth are to communicate their business plan to others.

## eACTIVITY

Ask each person to review the plan s/he has developed to make sure all of the sections are complete and that they are familiar with all the information. The youth decide how to present their plan using posters, PowerPoint, overheads and handouts. You, the Helper, can structure the presentation format or leave it up to the individual presenters.

During the presentation you, along with other youth and adults in the audience, will listen and take notes on how the information is presented. After each one is finished, those listening may ask questions of the presenter. Comments and suggestions may be spoken, or written and handed to the presenter. It will also be helpful for presenters to reflect on their feelings, and if they plan to make any changes before going to investors.

## WHAT'S IN IT FOR ME

Youth will communicate their plan to others.

### Entrepreneur Skill:

Presenting your business plan

### Life Skill:

Communicating and making a presentation

### Educational Standard(s):

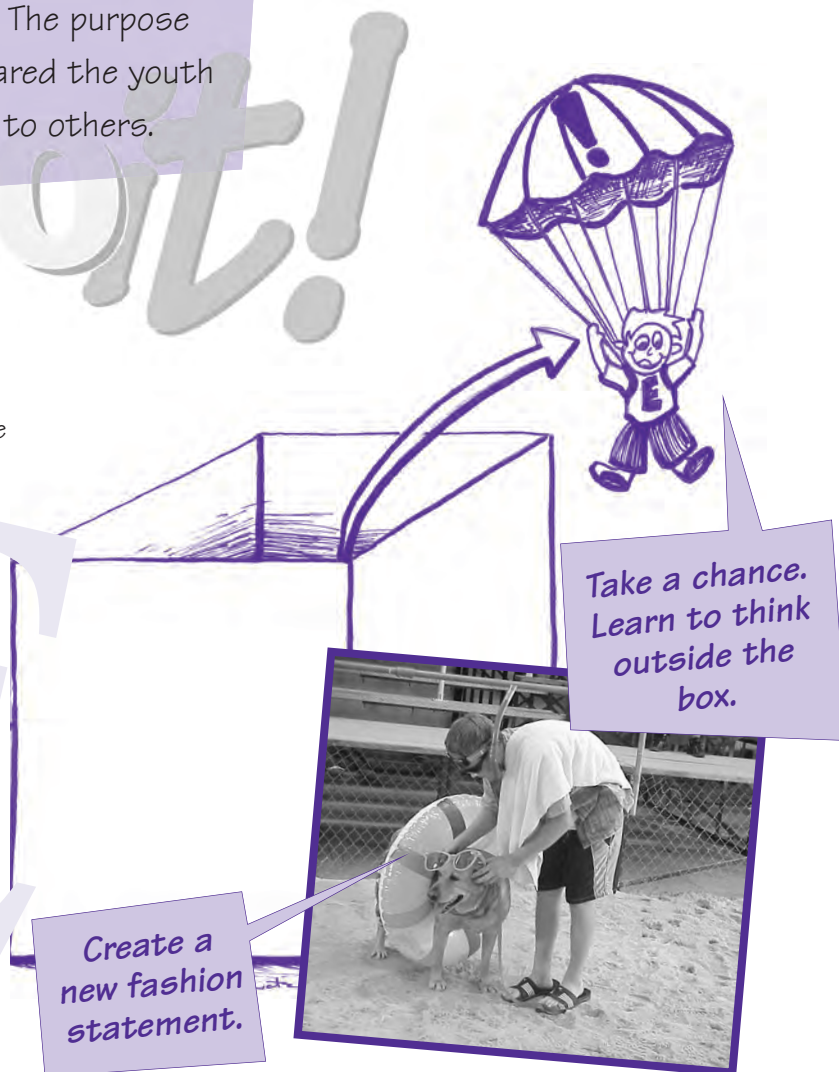
Employ a wide range of strategies and use different writing process elements appropriately to communicate with different audiences for a variety of purposes.

### Estimated Time for Activity:

45 minutes

### Materials Needed :

- copies of business plans
- poster board
- overhead transparencies
- PowerPoint (optional)





### eXPERIENCE

- How comfortable were you with presenting your idea to others?
- What was most difficult about organizing and communicating your idea?

### eXPLORE

- Why is it important to practice presenting your plan?
- If you have an appointment with an investor and are not prepared, how might the investor react?
- What was the most important thing you learned by practicing your presentation?

### eXTEND

- How will the questions and suggestions from others help you make a better presentation?
- How could your presentation be improved by using technology?

### eXPAND

- To what type of investor will you present your plan?
- How has making this presentation helped you communicate more clearly?

## eFACTS

### Presenting to Others

The ability to clearly communicate your idea to others is very important. This is true not only with a business plan, but in many other situations throughout life. Making an effective presentation includes:

- preparing an outline of main points
- speaking clearly
- making eye contact with your audience
- being enthusiastic
- using visuals (i.e. poster, PowerPoint) for effect
- summarizing key points; be prepared to answer questions
- practicing!

## MORE e

1. Videotape the presentations so each presenter can assess his/her presentation and communication style.
2. Imagine yourself as an investor. What would you want to know about a business plan before making a commitment to support it?

## e Words

- business plans



# Ideas for Interesting Group Activities

## Debate ideas

At a meeting of your group, divide into teams to debate the following issues or discuss the issues with your Helper.

When is it easier to make a sale?

- When you and the prospective buyer know each other, or when you are strangers
- When the prospective buyer knows the product, or the product is new to him/her

## Exhibit Ideas

- Prepare an exhibit of your Business Plan
- Prepare an exhibit from one of the group activity investigations

## Fair Exhibit Ideas

- Trade-show type booth of the 4-H member's product or service
- Completed Business Plan
- Prototype of the product
- How 4-H member turned another 4-H project into a business
- Picture story of the Entrepreneurship Project
- Journal or portfolio of how the project evolved; a diary of the process
- A *BE THE e* success story
- Poster describing details of one of the completed activities
- PowerPoint presentation of the Entrepreneurship Project
- Marketing portion of the Business Plan featuring the name of the business and examples of marketing tools

## Field Trip Ideas

- Scavenger hunt—best and worst prices for the same list of items
- Local bank, insurance, investment office—interview professionals
- Marketing, research, and development departments
- Shadow a local entrepreneur
- Find something manufactured locally, and trace it to wholesalers, retailers, users
- Research the organizations that offer helps to local entrepreneurs
- Check-out the county Extension office to see what the University offers for entrepreneurs
- Investigate how to register a business, obtain licenses, and get an Employee Identification Number (EIN)

## Group Activity Ideas

- Make and judge “classes” of print advertisements for impact, creativity
- Determine & map financial services available to youth in the community
- Learn about finance: savings accounts, CDs, checking, credit cards
- Interview people from different generations about their views of entrepreneurs
- Take turns drawing Monopoly Chance and Community Chest cards, and explaining how the events in the cards would affect taxes
- Research all the kinds of insurance a business may want to have, and how to determine which to buy
- Categorize all the kinds of services youth provide in the community
- Make a money flow chart for your community
- Play “The Game of Life” and analyze how realistic it is for an entrepreneur
- Analyze your generation as a target market. What are their characteristics? What kinds of products or services interest them? Contrast this with your parents generation.
- Create a PowerPoint presentation of your business idea to seek investors
- Create a Quiz Bowl of words in your Entrepreneurial Glossary, and play with two teams of four players
- Investigate taxes and the small business owner—retail sales, payroll, income, local, state and federal excise taxes

## Presentation/Demonstration Ideas

- How advertisers get you to buy
- Finding materials for your business online, catalog or local retail
- Counterfeit money—how to tell
- How to shop for a credit card
- How to create a business budget you can live with
- Choosing a financial institution—important factors
- Schemes and scams
- Determine what to charge for services—youth jobs
- Patents, copyrights, and trademarks—from website [www.uspto.gov/web/offices/tac](http://www.uspto.gov/web/offices/tac)

## Role-Playing

At a group meeting, pair off with another person and role-play a variety of situations where you can use various social skills.

- Meeting a new client and presenting your product
- Trying to make a sale
- Handling an upset customer
- Having a client reject your sales pitch
- Trying to convince someone to invest in your company
- Working with a new team developing a product, etc. (three or four people).



# Level 1 Entrepreneurship Post- then Pre-Evaluation

On the following scale, 4 is high and 1 is low. Rate what you know about that subject now that you have completed Level 1 of the project. Circle N/A if that particular information was not included. Please circle your answers in each column.

What is your understanding of...	Now—After Completing Level 1	Back—Before you Started Level 1	I Plan to Use This Within Six Months
1. The definition of an entrepreneur	4 3 2 1 N/A	4 3 2 1	Yes No
2. What it is really like to own a business	4 3 2 1 N/A	4 3 2 1	Yes No
3. The big question all customers ask when purchasing a good or service	4 3 2 1 N/A	4 3 2 1	Yes No
4. How important social skills are in the business world	4 3 2 1 N/A	4 3 2 1	Yes No
5. What it is really like to own a business	4 3 2 1 N/A	4 3 2 1	Yes No
6. Your personal strengths as a prospective business owner	4 3 2 1 N/A	4 3 2 1	Yes No
7. The importance of an entrepreneur to be passionate and enthusiastic	4 3 2 1 N/A	4 3 2 1	Yes No
8. The importance of time management when you are starting a business	4 3 2 1 N/A	4 3 2 1	Yes No
9. How some famous entrepreneurs who started as young people got their start	4 3 2 1 N/A	4 3 2 1	Yes No
10. Clear and accurate communications in business agreements	4 3 2 1 N/A	4 3 2 1	Yes No

What is your ability to...	Now—After Completing Level 1	Back—Before you Started Level 1	I Plan to Use This Within Six Months
11. Incorporate improvements in your business plan	4 3 2 1 N/A	4 3 2 1	Yes No
12. Investigate how a favorite product was created	4 3 2 1 N/A	4 3 2 1	Yes No
13. Plan interesting group meetings	4 3 2 1 N/A	4 3 2 1	Yes No
14. Use a newspaper to locate business ideas	4 3 2 1 N/A	4 3 2 1	Yes No
15. Make decisions based on forethought of cost	4 3 2 1 N/A	4 3 2 1	Yes No
16. Identify roles people play when working together on a task	4 3 2 1 N/A	4 3 2 1	Yes No

17. My two favorite parts of Level 1 were: \_\_\_\_\_

18. One thing I will use right away is: \_\_\_\_\_

19. My least favorite activities in Level 1 were: \_\_\_\_\_

20. Any additional comments you would like to make about Level 1: \_\_\_\_\_



# Level 2 Entrepreneurship Post- then Pre-Evaluation

On the following scale, 4 is high and 1 is low. Rate what you know about that subject now that you have completed Level 2 of the project. Circle N/A if that particular information was not included. Please circle your answers in each column.

What is your understanding of...	Now—After Completing Level 2	Back—Before you Started Level 2	I Plan to Use This Within Six Months
1. Building a positive credit history	4 3 2 1 N/A	4 3 2 1	Yes No
2. How to use credit wisely	4 3 2 1 N/A	4 3 2 1	Yes No
3. The common sense approach to economics	4 3 2 1 N/A	4 3 2 1	Yes No
4. The meaning of non-verbal communication	4 3 2 1 N/A	4 3 2 1	Yes No
5. The importance of documentation and record keeping	4 3 2 1 N/A	4 3 2 1	Yes No

What is your ability to...	Now—After Completing Level 2	Back—Before you Started Level 2	I Plan to Use This Within Six Months
6. Identify a name for your business	4 3 2 1 N/A	4 3 2 1	Yes No
7. Connect your assets to potential business and community opportunities	4 3 2 1 N/A	4 3 2 1	Yes No
8. Create a recipe for producing a product or delivering a service	4 3 2 1 N/A	4 3 2 1	Yes No
9. Market/advertise yourself	4 3 2 1 N/A	4 3 2 1	Yes No
10. Gather information on products similar to yours	4 3 2 1 N/A	4 3 2 1	Yes No
11. Use the Internet to research your business idea	4 3 2 1 N/A	4 3 2 1	Yes No
12. Hire help	4 3 2 1 N/A	4 3 2 1	Yes No
13. Identify which customer needs/wants your product or service would meet	4 3 2 1 N/A	4 3 2 1	Yes No
14. Investigate whether the world of online business would work for you	4 3 2 1 N/A	4 3 2 1	Yes No
15. Develop a press release and contact the media about your business	4 3 2 1 N/A	4 3 2 1	Yes No
16. Identify legal concerns for your business	4 3 2 1 N/A	4 3 2 1	Yes No
17. Identify resources (people, technology, equipment, skills, etc.) that can help with your business	4 3 2 1 N/A	4 3 2 1	Yes No
18. Make a presentation to market your business	4 3 2 1 N/A	4 3 2 1	Yes No

19. My two favorite parts of Level 2 were: \_\_\_\_\_

20. One thing I will use right away is: \_\_\_\_\_

21. My least favorite activities is Level 2 were: \_\_\_\_\_

22. Any additional comments you would like to make about Level 2: \_\_\_\_\_



# Level 3 Entrepreneurship Post- then Pre-Evaluation

On the following scale, 4 is high and 1 is low. Rate what you know about that subject now that you have completed Level 3 of the project. Circle N/A if that particular information was not included. Please circle your answers in each column.

What is your understanding of...	Now—After Completing Level 3	Back—Before you Started Level 3	I Plan to Use This Within Six Months
1. Turning a 4-H project into a market opportunity	4 3 2 1 N/A	4 3 2 1	Yes No
2. Why a cash flow forecast is important in business decision making	4 3 2 1 N/A	4 3 2 1	Yes No
3. Sales tax regulations	4 3 2 1 N/A	4 3 2 1	Yes No
4. The entrepreneur's responsibility to self and community	4 3 2 1 N/A	4 3 2 1	Yes No

What is your ability to...	Now—After Completing Level 3	Back—Before you Started Level 3	I Plan to Use This Within Six Months
5. Budget business expenses	4 3 2 1 N/A	4 3 2 1	Yes No
6. Make decisions based on evaluation of four methods of income	4 3 2 1 N/A	4 3 2 1	Yes No
7. Identify potential problems and develop alternate solutions	4 3 2 1 N/A	4 3 2 1	Yes No
8. Use traits that are important in customer service	4 3 2 1 N/A	4 3 2 1	Yes No
9. Imagine your future achievements	4 3 2 1 N/A	4 3 2 1	Yes No
10. Make a presentation to market your business	4 3 2 1 N/A	4 3 2 1	Yes No
11. Determine the selling cost of your product or service	4 3 2 1 N/A	4 3 2 1	Yes No
12. Know when to quit	4 3 2 1 N/A	4 3 2 1	Yes No
13. Know the influence of your business on the community	4 3 2 1 N/A	4 3 2 1	Yes No
14. Decide how to give back to your community	4 3 2 1 N/A	4 3 2 1	Yes No
15. Complete a business plan	4 3 2 1 N/A	4 3 2 1	Yes No

16. My two favorite parts of Level 3 were: \_\_\_\_\_  
 \_\_\_\_\_

17. One thing I will use right away is: \_\_\_\_\_  
 \_\_\_\_\_

18. My least favorite activities in Level 3 were: \_\_\_\_\_  
 \_\_\_\_\_

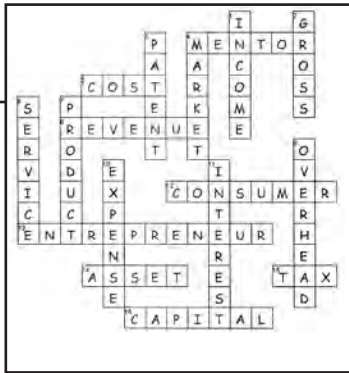
19. Any additional comments you would like to make about Level 3? Put them below. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



# Answers to Activities

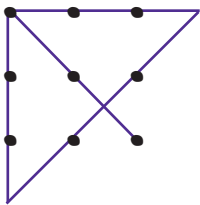
## The Language of Business

Level 2, page 36



## Econ 101

Level 2, page 38



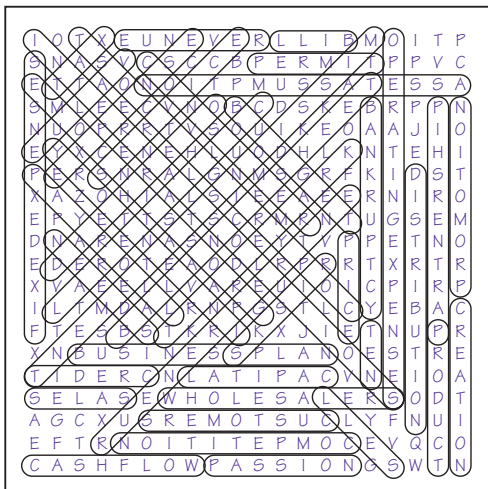
## Matching e Words

Level 2, page 38

- |     |     |
|-----|-----|
| A 6 | F 3 |
| B 5 | G 4 |
| C 9 | H 7 |
| D 1 | I 8 |
| E 2 |     |

## Entrepreneurship Word Find

page 119



## Famous Entrepreneurs

Group Activity Helper's Guide, page 16

- |      |       |       |
|------|-------|-------|
| 1. L | 6. M  | 11. H |
| 2. A | 7. G  | 12. F |
| 3. E | 8. K  | 13. C |
| 4. J | 9. B  |       |
| 5. D | 10. I |       |

## Credit Trivia

Level 2, page 64

- True**—The average American charges about \$4,500 per year; fifty five % of Americans "always" or "sometimes" worry about their money.
- False**—At December holiday time, VISA is used about 5,500 times a minute; \$96 billion was charged on credit in 1998.
- False**—The average weekly allowance is \$10 per child. A child who is old enough to ask for specific items is old enough to be given an allowance and to begin to learn the art of budgeting and managing money.
- True**—At 18% interest it will take you 98 months to pay off a \$1,000 charge and it will cost you \$2,193 in principal and interest charges.
- True**—If you are delinquent with your bills, it can stay on your credit report for seven years.
- False**—In the 1970's, laws were passed to protect the consumer from harassing phone calls. A creditor may not tell anyone but the person who owes him/her money.
- True**—If the bank repossesses your car and sells it for less than you owe, you still owe the difference. Repossession will stay on your credit report for seven years.
- True**—Of these, 70% are "total" bankruptcy which is Chapter 7.
- False**—Even bankruptcy cannot wipe out certain debts such as taxes, child support, alimony, or student loans.
- True**—A savings category should be built into a personal budget. It is wise to accumulate three to six months worth of living expenses in an emergency fund.
- False**—Bankruptcy can stay on your credit report for 10 years.
- False**—Every month the number of people paying their bills late is 10 times that.
- False**—Credit bureaus simply gather information from creditors and compile the data. The consumer himself/herself determines whether it's a good or poor rating.
- False**—Employers, banks, landlords, and creditors are the only ones who have access to your credit records. Also, any creditor where you are applying for credit will be authorized if you give permission.



# The 4-H Pledge

I pledge  
my Head to clearer thinking,  
my Heart to greater loyalty,  
my Hands to larger service, and  
my Health to better living,  
for my club, my community,  
my country, and my world.



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