

LESSON 7: THE ENTREPRENEURIAL PROCESS

Focus Question: What are the most important steps in starting a business?

Objectives

Students will be able to:

- Explain the key steps in starting a business.
- Discuss the components of a business plan.

Standards

NES: 13, 14, 15

ELA: 2, 3

Materials

Text, pp. 207-212.

Teaching Strategies

Introduction:

- Distribute Worksheet 7A, “Road Map for Creating a Business.” Have students complete this exercise for homework. Then, as part of the introductory discussion to this lesson, have students explain their answers to the following questions:
 - What do you learn from studying the “road map?”
 - Which is the most important step on this “road map”?
 - What questions does this “road map” help answer?

Body of lesson:

- Divide students into groups of three each. Distribute a different set of either Worksheets 7B, 7C, or 7D, to each group and have the group complete the exercise on the worksheet. Have each group discuss answers to the questions accompanying the worksheet they received.
- Reassign students to different groups, so that each group consists of one student who examined Worksheet 7B, another who examined Worksheet 7C, and another who examined Worksheet 7D. Meeting in their new groups, each student should make a brief presentation to the others of what he/she learned about starting a business from the worksheet his/her first group studied.
- After each group meets, as part of the whole-class discussion, ask students to explain their answers to the following:
 - What did you learn about starting a business from this activity?
 - Based on what you learned, why is it so difficult to get a business opened on the right foot?
 - Which of the steps is most difficult?
 - Which of the steps is most important for a business’s success?

Summary/Assessment:

Divide students into groups of four. As a long-term performance-based assessment, have the groups develop an idea for a business and a plan to implement it, using the “road map” on Worksheet 7A. Tell students that they should present their idea and plan for implementation to the class. The presentation should last at least 15, but no more than 20, minutes. The class will be given five minutes to question the presenters.

Worksheet 7A

Road Map for Creating a Business

Exercise: Speak to someone in your local community who has started a business. Show them this diagram. Ask them to provide and explain their answers, which you should write on this worksheet, to the following questions:

1. Which is the most important step on the "Road Map for Creating a Business"?
2. Which of these is the most difficult step on the "Road Map"?
3. Are there any steps that have been left out of this "Road Map"?



www.troynet.net/business/entrepreneurship. Permission pending.

Worksheet 7B

Recognizing Opportunities

The first step in starting a business is recognizing an opportunity to create a product or service that will attract customers. For each of the four kinds of opportunities listed below, suggest an example of a product or service that might result in a successful business.

Kinds of opportunities	Examples
1. <i>Problem</i> —Suggest a problem that affects many people that could be solved by a business developing a product or providing a service.	
2. <i>Change</i> —Look through the newspaper for a change in a law, situation, or trend that creates the need for a business that develops a product or a service.	
3. <i>Invention</i> —Find a new advance, technology, or invention that you think others would want to buy.	
4. <i>Beat the competition</i> —Find a product or service that you could produce better, faster, or cheaper than others in the same business.	

Worksheet 7C

Business Plan

After someone has an idea for a business, the next step is to develop a business plan, to put the idea into action. These key steps in a business plan appear below.

Exercise.

1. Write the numbers 1-6 in front of each letter, indicating the correct order which you think they should appear.
2. Place an * next in front of the step that you think is the most important.
3. Place a "D" in front of the step that you think is the most difficult.

_____ **A. Management.** Who will make up the management team, structure, etc? What will be the overhead costs?

_____ **B. Implementation.** Explain the major decision points, time line, and actions required to launch the business.

_____ **C. Development of a marketing strategy and sales plan.** What is the profile of a target customer? How will the business market its products/services and sell it/them to customers? What does the business anticipate will be the volume of sales achieved in its main markets? How will it deal with the competitors?

_____ **D. Research & development and technology.** What steps will be taken to create or improve the product or service? What are the current technological advances anticipated. What resources will be devoted to future technological and/or other product breakthroughs?

_____ **E. Creation of a mission and strategies for launching the business.** What are the central purposes and activities for the new business? What are its SWOTs (strengths, weaknesses, opportunities, and threats)? What are its major objectives, key strategies and prime goals?

_____ **F. Determining funding requirements, proposals financial projections.** What are the current financial projections (e.g., a profit and loss summary, cash flows, balance sheets, and key ratios)? What are the initial funding requirements? What are possible sources of, and likely terms for, funding? Who will be the primary investors and what will be the projected return on their investment?

Worksheet 7D

Marketing and Market Research

Developing a marketing plan is an important step for any new business. Among the features to consider in the marketing plan are the four below.

Exercise: Think of a company with which you are familiar. In the space provided, give an example of how that company addresses the four marketing features listed below.

1. Consumer Description. How would the company describe its target customer and how the customer would use its product or service?

Example:

2. Promotion/Advertising. Which of the following methods does the company use to promote/advertise its product(s) or services(s): flyers, posters, the Internet, telemarketing (phone), door-to-door sales calls, brochures, mailings, and/or others?

Example:

3. Message to Customers. In one or two sentences, what would the company say to a potential customer to convince him or her to buy its product(s) or service(s)?

Example:

4. Competition. In what ways would the company say its products/services are better than its closest competitors?

Example: