

***Taking
Care
Of
Business***

**An
Entrepreneurship handbook
For Teachers**

Acknowledgement

The **Taking Care of Business Entrepreneurship Handbook for Teachers** was developed by Sagehill Development Corporation, Box 10, Bruno, Saskatchewan, S0K 0S0, for use in conjunction with the Youth Business Excellence Awards (YBEX).

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TAKING CARE OF BUSINESS

(An entrepreneurship handbook for teachers)

TABLE OF CONTENTS

I. Introduction

- | | | |
|----|--|--------|
| 1. | Newsask Community Futures Development Corporation –
Answers For Entrepreneurs | Page 1 |
| 2. | Role of the teacher in the Program..... | Page 2 |
| 3. | Expectations of Students..... | Page 3 |
| 4. | Staff Support..... | Page 3 |

II. Purpose

- | | | |
|----|--|--------|
| 1. | Challenges for the Student Entrepreneur..... | Page 4 |
| 2. | Benefits of the Program for Students..... | Page 4 |
| 3. | Importance of Process in Entrepreneurship..... | Page 5 |

III. Entrepreneurs

- | | | |
|----|--|--------|
| 1. | Definition of an Entrepreneur..... | Page 6 |
| 2. | Difference between an Entrepreneur and an
Employee..... | Page 9 |
| 3. | Pros and Cons of being an Entrepreneur..... | Page 9 |

IV. Ten Steps to Taking Care of Business

- | | | |
|-----|---------------------------------------|---------|
| 1. | The Entrepreneurship Personality..... | Page 11 |
| 2. | The Big Idea..... | Page 13 |
| 3. | Building on Your Idea..... | Page 14 |
| 4. | Creating a Business Plan..... | Page 18 |
| 5. | Financing..... | Page 22 |
| 6. | Personnel..... | Page 28 |
| 7. | Business Equipment..... | Page 31 |
| 8. | Marketing..... | Page 31 |
| 9. | Keeping Track..... | Page 33 |
| 10. | Importance of Business Structure..... | Page 35 |

V.	Reflecting Page 39
VI.	Incorporating Entrepreneurship into the Saskatchewan Curriculum Page 41
VII.	Teaching Tools Page 47
VIII.	ResourcesPage 170
IX.	Glossary of TermsPage 186
X.	Youth Business Excellence (YBEX)Page 192

1. Introduction

1. NEWSASK COMMUNITY FUTURES DEVELOPMENT CORPORATION

Answers for Entrepreneurs.

For more than 12 years, the Newsask Community Futures Development Corporation has been in the business of encouraging and supporting small business in northeast Saskatchewan. What commenced in 1990 as an organization providing small business service has grown substantially:

❖ Number of businesses started and operating through Newsask Programs	440
❖ Number of jobs (FT & PT) actually created or maintained through businesses started because of Newsask services	1,284
❖ Number of loans disbursed	217
❖ Total dollar value of loans disbursed	\$ 4,798,058
❖ Total funds levered through Newsask Services	\$ 22,529,409
❖ Percent of businesses that remain in operation from Newsask loans	67%

Over a period of time, our range of products and services has grown just as small business has grown and changed. We are continually evaluating our products and services because it's crucial that they meet the needs of aspiring entrepreneurs. Every day our staff provide management support, business counselling and business information on a range of topics from "getting your business idea off the ground" to "exporting products" to "starting a bison or herb farm" to "hiring staff" or "learning how to juggle the demands of owning and operating a small business with the busy family lives that each of us have".

Over the years, we have built a solid reputation for business management training, everything from getting started to developing a business plan to marketing to

labour standards to bookkeeping to hiring effectively. Whatever the business issue is that you require to gain knowledge on, we will work closely with you to obtain the learning opportunity.

In addition, we specialize in small business financing. As attested to above, we have invested several million dollars in our local economy by investing in businesses that have been created locally. These businesses have in turn created further investment in our communities through construction, the purchase of goods and services and by employing local people. We are proud supporters of small business.

In May 2001, Newsask introduced a new program to the region – The Youth Business Excellence Awards Program (YBEX). This program has enabled us to encourage the exploration of entrepreneurship as a career choice for students in Grade 6 through 12. YBEX is a business planning competition. Other Community Futures Offices have been offering YBEX in their regions for several years. Sagehill Development Corporation asked teachers who were integrating entrepreneurship into their areas of core study if there was a “tool” they could use that would help them. The response was that teachers requested a “guide”, a “handbook” or a “roadmap”. Well, Sagehill Development Corporation listened and developed a guide called Taking Care of Business (an entrepreneurial handbook for teachers) for use in your school.

The handbook speaks directly to entrepreneurship – what is, how to plan for it, and how to handle the ups and downs. They have included several activities, checklists and worksheets, as well as list of available “library” resources for you to use.

2. Role of the Teacher in the Program

A teacher sells everyday. When you walk into a classroom you’re selling information, knowledge and skills. An effective teacher has an area they are passionate about; an area that they need to share with their students, a strong work ethic and a commitment to student success. One can very easily draw an analogy between a student entrepreneur and an effective teacher. The entrepreneur must have a passion area they wish to develop a business idea around; they must not be scared of hard work and they must be committed to their ideas in order to reach a common goal.

Entrepreneurship increases the students’ self esteem, confidence, math and reading skills and quite possibly, prospects for the future. You possess unique knowledge to guide your students successfully through the entrepreneurship program. You know your students, your school, and your community. Work with all these areas to develop the most effective program possible for your students.

Use the ideas presented in Taking Care of Business Handbook to develop a program for your students and your school. Organized instruction will motivate your students to start and operate their own small business. With your guidance, the young entrepreneurs in your class will become more independent, more effective as a Businessperson and provide an excellent basis to encourage good citizenship.

3. Expectations of Students

These are a few of the things that the young entrepreneur should learn to do:

- ❖ Write a business plan
- ❖ Prepare a marketing plan
- ❖ Negotiate
- ❖ Make effective decisions
- ❖ Keep accounting records
- ❖ Preparation of financial statements
- ❖ Calculation of the return on an investment
- ❖ Writing memos and business letters
- ❖ Make business cards
- ❖ Raising necessary capital to pursue a business opportunity

Students learning to run their own business become better decision makers in their personal lives. They learn about delayed gratification since the primary act of business takes place over time with many rewards including money.

The experience of running a student owned business can be profitable and educational. The student is expected to consider all that is involved before striking out on their own. They should build their business around a personal interest backed up with knowledge they possess and that, in the marketplace, fills a specific niche.

4. Staff Support

The development of the entrepreneurial spirit in our youth must become a significant process in our schools. A planned method of instruction must be developed where educators, parents, government agencies and community members work together to provide students with hope for their future. The entrepreneurship program should also allow the students to better understand themselves. All facets of the educational system – administrators, local boards, librarians, and staff members must work together to make this project a good experience for the students. We cannot stress enough, the importance of involving the entire school staff to ensure a successful entrepreneurship program.

Each school-based program should consider factors including gender equity, racial issues and native content.

II. Purpose

Entrepreneurship is an occupation where there is no apprenticeship. Even if you have worked in another business you generally are not prepared for the challenges, the long hours, the social sacrifices, and the financial commitment that will be required if you choose to operate your own business. This handbook will guide you along the entrepreneurship path by providing concise and organized steps to create and start a business. This handbook breaks down the steps of the process into easily digested components that can be used by any of the grades involved in the project. The teacher will choose the level of difficulty appropriate for the grade level.

1. Challenges for the student entrepreneur

The young entrepreneur must know how to compete in a dynamic, uncertain and risky environment. Updated practices and information is essential. The student must be equipped to seek out, analyze and critically implement the entrepreneurial information by utilizing available resources including the Internet.

What makes the students' business successful depends a lot on the student and what kind of business the student starts. The success of every student business depends on five ingredients:

- Their ability to be a self starter and a hard worker
- Their ability to maintain their confidence despite difficulties that may arise
- Their knowledge of the chosen field or business
- Their capacity to stress service, quality, reliability and cost effectiveness in their business dealings
- Their capacity to plan effectively.

2. Benefits of the program for Students

Understanding entrepreneurship gives young people the feeling they can take charge of their future. It motivates them to improve their math, reading and writing skills and to stay in school. The program set out by the **“Taking Care of Business”** handbook assists students by providing the skills they need to become more financially independent.

Entrepreneurship gives students a sense of importance and a seriousness of purpose. Their business will give them something new to talk about with other people. Even if the students do not become life long entrepreneurs the program will provide the students with the opportunity to develop an understanding of the business world. The program makes it easier for students to secure jobs and to create a fulfilling career because the skills necessary to become a successful entrepreneur are fully transportable to other career choices a student might make.

3. Importance of Process in Entrepreneurship

In the 21st century knowledge is critical. We must sustain innovation in students. The students must find ways to recognize problems, examine the process of change and understand its' importance to self, family and community. The students must learn by doing, analyzing, evaluating, and progressing from one step to another.

The goals of this program are:

- Students will develop an awareness, an understanding, and, ultimately, an appreciation for entrepreneurship
- Students will be aware of the pros and cons of being an entrepreneur
- Students will be equipped to respond to a business environment utilizing decision making, planning and implementation skills
- Students will develop an entrepreneurial vocabulary
- Students will acquire a practical approach to reaching their potential by taking advantage of entrepreneurial opportunities that present themselves.

III. Entrepreneurs

1. Definition of an Entrepreneur

An entrepreneur is an individual who is always looking for new opportunities. An entrepreneur can tell the difference between a good idea and an opportunity. When they begin or acquire a business they immediately start looking for ways to make it grow. An entrepreneur answers all phone calls, deals with each crisis as it arrives and leap at every opportunity that comes along. Entrepreneurs are creative and full of initiative. Entrepreneurs are confident and determined. Entrepreneurs are opportunists who actively seek out the solution to a problem or the satisfaction of a need in the marketplace. There is no such thing as failure in their eyes.

Over time many have been inspired to analyze those individuals that chose to follow their entrepreneurial dream. We've included two excerpts from different authors to serve as a point of reference.

- ❖ Professor David McClelland, Harvard University, and Professor John Atkinson, University of Michigan, write that *entrepreneurs are motivated by three dominant needs*:
 - a. *The need for achievement*: a person strives for goals that are self defined and looks for success or failure along the way.
 - b. *The need for power*: an individual strives and measures his ability to influence the behaviour of other people according to standards set by someone other than himself.
 - c. *The need for affiliation*: individuals aim to build a warm relationship with another personal and enjoy mutual friendship.

- ❖ *Six dominant themes and attitudes shared by entrepreneurs* have been developed by Jeffrey Timmons in New Venture Creation: Entrepreneurship for the 21st Century (Irwin, 1994). They are:
 - a. *Commitment and determination*: requires discipline, tenacity, and personal sacrifice.
 - b. *Opportunity Obsession*: the entrepreneur needs to know what their customer wants and then creates it.
 - c. *Tolerance for risk, ambiguity and uncertainty*: you must be a risk taker that can minimize the potential impact of the risk. As an entrepreneur you must be able to resolve problems and be able to integrate solutions even when you are not entirely certain of the whole picture.
 - d. *Creativity, reliance and ability to adapt*: entrepreneurs need to be unconventional, restless with the status quo and fearless when it comes to failure.

- e. **Motivation to excel:** the entrepreneur wants control over their lives and their business. They are generally not concerned with “status”. They want to achieve their goals but they can still laugh at themselves.
- f. **Leadership:** entrepreneurs are self-starters who can be comfortable as a member of a team. They are patient, experienced and self-controlled.

It is generally agreed that entrepreneurs share the following five characteristics:

- Energy, health and emotional stability
- Creativity and innovativeness
- Intelligence
- Capacity to inspire
- Personal values

Profit Magazine defines the characteristics of Entrepreneurial Success in the following ways:

- Innovative product or service
- Market driven
- Strong alliances with customers, suppliers and the community
- Imaginative
- Strategic use of technology
- Service, service, service
- Export oriented
- Meets change head on
- Breaks all the rules

While many have defined what it takes to be successful many have also analysed ***what qualities in an individual may result in being unsuccessful in a business venture:***

- a. **Invulnerability:** people who take unnecessary chances and unwise risks feel invulnerable.
- b. **Machismo:** individuals who go head to head with competitors whose options hold greater potential for success.
- c. **Anti-authoritarianism:** people who do not ask anyone for help to achieve their goals fit in this category.
- d. **Outer control:** people need self control rather than outer control. Outer control may attribute success to coincidence, astrology or pure luck.
- e. **Perfectionism:** by trying to achieve perfection the entrepreneur wastes time and energy and may miss opportunity.
- f. **Being a know it all:** if you think you know everything you never bother to see what you don't know or bother with improving your weaknesses.

- g. **Counterdependency:** individuals who cling too much to their independence and refuse help end up accomplishing little.

An entrepreneur is limited only by imagination. All you have to do is get started.

<i>How does this information relate to our young entrepreneurs? What characteristics do young entrepreneurs need to possess?</i>	
➤ Persistence	➤ Energy
➤ Innovation	➤ Creativity
➤ Organizational Skills	➤ Hard Worker
➤ Leadership Skills	➤ Communication Skills
➤ Desire to Achieve	➤ Problem Solver
➤ Sense of Responsibility	➤ Optimism and Determination
➤ Good Planner	➤ A Positive Attitude

Young entrepreneurs work for themselves and create their own jobs as an alternate means of taking the future into their own hands. They see starting a small business as an excellent opportunity to challenge themselves, to fulfill themselves, to make a name for themselves and to make money.

Young entrepreneurs know they have a lot to learn, but, will learn by doing. They have a general knowledge that must be constantly updated and broadened. During the development of their business they will gain knowledge of:

- themselves
- the business world and how it operates
- their market
- common business practices
- management practices
- those things that make a person a better person
- taking control of their life
- how to make their dreams come true.

The opportunities available to the young entrepreneur depend, most of all, on who you are. Entrepreneurship is something you feel in your heart – a passion, the thrill of learning, discovery and getting ahead.

◆ ***“Entrepreneurship is personal. It is what you can do almost by yourself.”***

John H. Johnson (b.1918)
American publisher of Ebony and Jet magazines

2. Difference between an Entrepreneur and an Employee

Most people would like to own their own business and be their own boss but hesitate because they worry about having enough money, time and/or experience to start and operate their own business.

Someone who earns a living by working for someone else is an *employee* of that business. Employees all have one thing in common – they do not own the business – they work for others who do.

Entrepreneurs, in contrast, are both owners and employees. An entrepreneur is responsible for the success or failure of his own business.

There are four basic principles to entrepreneurial success:

- a. Buy low
- b. Sell high
- c. Satisfy customer needs
- d. Keep good records.

An entrepreneur develops his or her own market knowledge. An entrepreneur knows their community and has had life experiences that no one else has. They use this knowledge to become a successful entrepreneur. Entrepreneurship is about connecting your business idea to the needs of your community.

3. The Pros and Cons of being an Entrepreneur

Think about what you want out of life. What are your priorities? Keep these things in mind as you read the pros and cons of being an entrepreneur. This can help you decide whether you are more suited to being an entrepreneur as compared to being an employee.

Pros of Entrepreneurship

a. Independence

An entrepreneur does not have to follow orders or observe specific working hours. An entrepreneur only needs to prove to himself that he or she can accomplish the personal goals that they set.

b. Satisfaction

It is very satisfying to turn a skill, interest or hobby into your own business. It is this satisfaction, alone, that can drive an entrepreneur.

c. Financial Reward

Entrepreneurs can earn fortunes by working hard. Many entrepreneurs have grown small businesses into large companies that, in turn, have created jobs, economic opportunity, and wealth for the owner.

d. Self Esteem

The entrepreneur sets a number of personal goals or objectives. As those goals and objectives are reached there is satisfaction in the accomplishment. A direct result of that sense of accomplishment is self esteem.

Cons of Entrepreneurship

a. Business Failure

When starting a new business there is risk of losing that business and the money you invested. However as Henry Ford said, “We learn more from our failures than our successes.”

b. Obstacles

Your family and friends may discourage you from starting your own business. They may feel you are incapable or that the business world is too tough for you. Many people in your life will have an opinion about your business idea and those opinions may create obstacles – it will be up to you to decide whether you can overcome them.

c. Loneliness

You are responsible for your own actions when you are in business for yourself. This can, at times, be both a bit scary and lonely.

d. Financial Insecurity

An entrepreneur will face many financial challenges along the business venture road. Bills will need to be paid, choices will have to be made and often it is the entrepreneur that is the last to be paid.

e. Long Hours/Hard Work

Ray Kroc whose claim to fame is the MacDonald’s restaurant chain had a simple motto, “Press on” and he would work eighty hours a week to do just that.

IV. Ten Steps to Taking Care of Business

1. The Entrepreneurial Personality

In order to be an entrepreneur you must possess a fundamental need to control your own destiny. The entrepreneur does not feel completely fulfilled working for someone else and is not happy taking orders from a higher-up.

How do you know if entrepreneurship is for you? The following suggestions provide some insight into determining whether you are an entrepreneurial personality:

- a. ***Meet with other entrepreneurs.*** In order to determine whether you're just daydreaming or whether you've really got what it takes to be an entrepreneur take the time to meet with entrepreneurs in your community. Take a look at their lifestyles and talk with them about being an entrepreneur.
 - Did they know how much time and energy owning their own business would take?
 - Do they begrudge the time their business takes?
 - How do they manage their business and their family commitments?
 - Did they understand the changes that would take place in their lifestyle?
 - Did they conduct market research before going forward?
 - Did they have enough money to start their business?
 - Would they do it again?
- b. ***Attend seminars or classes in entrepreneurship.*** Many firms and agencies specialize in working with individuals who wish to be or already are in small business. Community Futures offices, like the Newsask Community Futures Development Corporation, work extensively with individuals who are interested in pursuing a business opportunity. These offices are located in every corner of Saskatchewan with the exception of the cities of Saskatoon and Regina. Call your local Community Futures office to find out how they can assist your aspiring entrepreneurs. Most often counselling services and/or workshops are offered free of charge and may be offered directly in your school.
- c. ***Check out your community libraries.*** Most school and regional libraries have resources dedicated to entrepreneurship. Another choice you might make is to contact your local *Infosource* library which has recently been integrated into most Community Futures offices. *Infosource* is the regional component of the Canada Business Service Center located in Saskatoon and is the result of a 1999 initiative to expand service

regionally to encourage increased use. The *Infosource* library located at the Newsask Community Futures Development Corporation includes print, audio, video and electronic media including extensive database access. The Newsask library provides a lending service. Call today to find out more.

- d. ***Be aware of your strengths and weaknesses.*** Very few individuals possess all the characteristics needed to be a successful entrepreneur. It is important to understand your strengths and weaknesses. The following tips will help you determine your own strengths and weaknesses:
- ***Create a personal resume.*** List your personal and professional expertise. For each job you have held describe the duties for which you were responsible and your degree of success with each. Include personal hobbies, accomplishments and any special knowledge you possess. This list will give you an idea of the type of business that might best suit your interests and experiences.
 - ***Analyze your personal attributes.*** Are you friendly? Self-motivated? A hard worker? Are you well organized? Do you have common sense?
 - ***Analyze your professional attributes.*** You must be aware of the areas where you are most competent as well as the areas you might need some help. Record your competency levels as good, fair, or poor. Know that every person can't know everything – be prepared to ask for help.
- e. ***Define your business goals.*** Setting goals is an essential part of choosing the business that's right for you. You need to be happy with what you do so you must know what your goals are. When setting goals:
- Be realistic
 - Be specific
 - Be optimistic
 - Establish both short and long term goals. Plan your goals for a week to a year and then, plan for five years.

Consider the following factors when setting your goals:

- Income – Decide how much money you want to make the first year and for the next five years.
- Lifestyle – How many hours are you willing to work? What personal assets are you willing to risk? How does your family feel about your business idea?

- Scope of Business – Where and how do you want to operate your business – Part time? Full time? On Main Street? From your home? Do you prefer to work alone?
- Personal Gratification – How much will your business venture satisfy your ego?

Most importantly when discovering your entrepreneurial personality you must be honest with yourself. You will have a much better chance of being successful if you go into business well aware of your strengths and weaknesses and have strong personal goals.

2. The Big Idea

The possibilities for young people to start businesses are endless. Begin by answering the questions, “ How can I do something better?” Or “ How can I do it differently than the other person is doing it over there?”

When selecting your business, choose something you enjoy doing. Sometimes ideas can develop from your own frustrations. Maybe there’s something missing in your community that you feel is needed and that you feel you could provide.

Since this is probably going to be your first business venture don’t bite off more than you can chew. Start with something simple that you know you can do well.

There are **four rules to follow in order to be successful:**

- a. Satisfy a consumer need
- b. Buy low
- c. Sell high
- d. Keep good records

Always listen to what people in your community are saying. What do they like, need, or want. You may have more than one idea. Write down your ideas as they come to you – that way you can analyze them at a later time and choose the one that appeals to you most.

Some business ideas are:

- | | |
|-------------------------|---------------------|
| • Cyber Cafe | • Music Lessons |
| • Specialty foods | • Messenger Service |
| • Visual arts | • Laundry Service |
| • Jewellery | • T- Shirts |
| • Astrology charts | • Tutoring |
| • Collectibles | • Plant Care |
| • Baking/Catering | • Typing Services |
| • Delivery Services | • Photography |
| • Entertaining | • Pet Care |
| • Baby-sitting services | • Painting |

3. Building on your Idea

a. Defining your market

Who are you going to sell to?

There are two basic markets- consumer and business. You must define your target market as narrowly as possible. This is known as creating a niche and it is the key to success.

Lynda C. Falkenstein in Nichecraft: The Art of Being Special and Starting Your Own Business: How to Make Niches That Increase Profit suggests a seven step process to create a good niche:

- ***Make a wish list.*** Be specific about who you want to do business with and where.
- ***Focus.*** Smaller is better so be selective when determining what you want to sell. For example, targeting teenage males with family incomes over \$40,000 who purchase lacrosse equipment is far more focused than teenagers who participate in sports.
- ***Describe the customer's world view.*** Look at your prospective customers from their point of view so that you can identify their wants and needs. The best way to do this is to talk to them.
- ***Synthesize.*** Your niche is beginning to take shape. A good niche has five qualities:
 - It takes you where you want to go
 - Somebody else wants it
 - It's carefully planned
 - It's one of a kind
 - It can evolve allowing for profit while retaining the core business idea.
- ***Evaluation.*** Check to see whether your niche meets the above noted criteria. If it doesn't work, scrap it and start again.
- ***Test.*** To determine if you have a match between niche and product offer samples that won't cost you too much.
- ***Go for it!*** If you've done your homework, entering the market will be a calculated risk not a gamble.

When you've found your niche it is important to ask yourself the following questions every six months or so to ensure you stay on track:

- i. Who are your target clients?
- ii. Who aren't your target clients?
- iii. Do you refuse certain kinds of business if it falls outside your niche?
- iv. What do clients think you stand for?
- v. Is your niche in a constant state of evolution?
- vi. Do you have a planned delivery system that effectively meets the need of your market?
- vii. Can you confidently predict the life cycle of your niche?
- viii. How can your niche be expanded into a variety of products or services that act as profit centres?
- ix. Do you have a sense of passion and focussed energy with respect to your niche?
- x. Does your niche feel comfortable and natural?
- xi. How will pursuing your niche contribute to achieving the goals you have set for yourself and your business?

b. Naming your business

A good name is a critical component of any successful business. Start by deciding what you want your business name to communicate. What is the key element of your business? That's what your name must communicate. The name must be meaningful. People must be able to relate to the name and understand it. The name must be easy to say and yet unique. If you choose a conventional word it may be hard to express the newness or uniqueness of your idea. Instead, consider using new forms of spelling existing words.

When choosing a name keep the following do's and don'ts in mind:

- Choose a name that appeals not only to you but also to the kind of customers you are trying to attract.
- To have customers respond to your business on an emotional level, choose a comforting or familiar name – one that conjures pleasant memories.
- Don't pick a name that is long or confusing.
- Stay away from cute puns that only you understand.
- Don't use the abbreviation Inc., after your name unless your company is actually incorporated.
- Don't use the word Enterprises after your name; amateurs often use this term.

Begin by brainstorming, looking in dictionaries and magazines or talking with friends to generate ideas. Narrow your choices to four or five. To choose one name over another read each name aloud - pay attention to the way it sounds. Doodle the name into logos to see what works best. Once you've made your

decision, build enthusiasm. You have completed the first step toward a strong business identity.

c. Location of Your Business

There are so many factors to consider when deciding on a location for your business. You must have a clear picture of what you need for your business. Location may be largely decided by the kind of business. Some locations may include:

- ***Your Home.*** Many businesses operate successfully in a spare bedroom, the basement or attic of the entrepreneurs' home.
- ***Retail.*** Retail space may be in a mall, at the airport, in a free standing building, or in downtown buildings located in a shopping district.
- ***Mobile.*** The location of your business may be your car, truck or van.
- ***Commercial.*** Your business could be located in a commercial office space or in a business park.
- ***Industrial.*** You may need a plant or warehouse facility.

Some factors that may help you determine your business location include:

1. Cost of land and leases
2. Access to transportation
3. Labour costs
4. Communication services
5. Taxes
6. Quality of schools
7. Quality of life
8. Government support
9. Established business community, chamber of commerce, etc.
10. Regulatory, licensing, legal issues
11. Access to suppliers
12. Do you like the place?

d. Creating a Business Image

How do you create an image for your business that works?

- i. ***Design a Logo.*** Your business logo is the most important design element as it is the basis for your business cards, stationary, signs and any other promotional material. The logo reflects the image you want your business to have. There are two kinds of logos: abstract symbols (a picture or symbol that connects with the business name) or logotype (a word). You could also design a logo that is a combination of both. It is helpful to consult a professional designer before making your final choice because they can tell you whether it will transfer easily between different uses.

ii. ***Design a business card.*** A good business card conveys the overall image of your business. The business card should provide a professional image that people will remember. Keep the following tips in mind when creating your own business card:

- Use your logo as the basis. Make it the largest element on the card.
- Do not make the card an unusual shape
- Keep it simple - too much information can clutter the card.
- Include the essentials- your name, title, company name, address, phone and fax numbers and e-mail address.
- Make sure that the typeface is easily read.
- Stick to one or two colours.

When your card is complete follow these tips:

- Always give people more than one card. That will ensure that they can pass it on to others.
- Include your card in all correspondence.
- Carry cards with you at all times.

iii. ***Designing Stationary.*** Business stationary should include your company name, logo, address, e-mail address, phone and fax numbers. The paper, colors and graphics each play an important role. Be sure to keep your stationary, as well as business cards and letterheads, current.

iv. ***Designing your Sign.*** A good sign must attract attention and be easily read from a distance. Help from a professional may be necessary to assist with letter sizing and material best to withstand the elements of nature. Don't forget to check with zoning laws before you finalize design specifications.

Creating your business image will cost you money – how much money is up to you. Remember that you don't have to complete all designs at once. To save money, start with the key items the public and your consumer will see immediately and ultimately, will have the largest impact on your business.

4. Creating a Business Plan

A business plan is more than just a pitch for money; it is a guide to help you define and meet your business goals. Before starting on your plan you will need information on your:

- market,
- potential customers,
- physical requirements, and
- financial needs.

a. What is a business plan?

A business plan is a written document explaining where a business is going, how it will get there and how it will grow. It must include all pertinent aspects of the business including current status and projected results. Business plans are used to:

- Set the goals and objectives for the company performance
- Provide a basis for evaluating and controlling the company's performance
- Communicate the company's message to lenders and potential investors.

b. Starting the Process: Five Steps

Your plan must show how all the pieces of your business fit together to create a powerful business unit capable of meeting the goals and objectives you've set.

Step 1- Identify your objectives

Who will be reading your business plan? What will they want to know? How do they intend to use the information? You must be able to establish the needs of your reader so that you can provide and communicate the appropriate information.

Step 2- Set up the Outline

Prepare an outline based on your objectives. The outline should be in enough detail so that it will be useful to both you and your reader.

Step 3- Review

Be sure to review your outline – read the outline from your intended reader's point of view to make sure that your business is being described with the appropriate level of detail. It is critical that you can support the statements you make in your outline.

Step 4 – Write the Plan

Research is essential before you start to write your business plan. Begin by gathering historical financial information about other businesses similar to yours and thoroughly study their market research. Next, prepare initial drafts of

financial statements. This will help you know which strategies will work from a financial perspective before writing a detailed description. Lastly, prepare an executive summary or a summary of the plan. Its contents are dependent on the results of the document and cannot be finished until the rest of the components of the plan are complete. Always refer to your outline to ensure you cover each area thoroughly.

Step 5- Have the Plan Reviewed and Updated

When you have completed your draft have a professional review it. A critical review by a disinterested third party can help identify the strong suits of your plan as well those sections that may require minor revision.

Once your business is up and running you may find that some of your objectives may change. As your objectives change you should update your business plan to show these changes.

c. Writing the Business Plan

There are ten components to a business plan:

1. Title Page

Provides the name, address, phone and fax numbers as well as the email address of the business.

2. Table of Contents

Includes a sequential listing and page numbers of each of the sections of your business plan.

3. Executive Summary

The Executive Summary provides an introduction to the rest of the business plan. Some investors may read only this portion so this must be well written if you wish to gain their confidence. This summary generally has four elements:

- i. Marketing concept that describes the business, its product and/or service and the market it serves.
- ii. Services that detail any developments within the business that are essential to its success.
- iii. Current position describes the human resources required or already involved as well as corporate details including the structure of the business and when it was formed.

- iv. Financial Features that includes the salient financial aspects of the business including sales, profits, expenses, cash flow and return on investment.

4. Marketing Analysis

This section of your plan describes your marketing goals. One of your objectives is to ensure that the business is seen as an attractive investment. Potential investors typically pay a lot of attention to this section. Some of the important issues to consider in this section are:

- i. marketing opportunity
- ii. competition
- iii. marketing strategy
- iv. market research
- v. sales forecasts
- vi. support material

5. Company Description

It is in this section that you have the opportunity to provide an overview of how all of the elements of the company fit together. Begin with a general description of the business. Address questions such as “What is the business?” “What group of customers will you serve?” “Where is the business located?” “Where will it do business?” Be sure to clarify your business objectives.

6. Marketing and Sales Strategy

This portion of your business plan describes how the business will accomplish the marketing plan you have outlined and achieve the expected sales. Describe the following:

- a) Distribution Strategy: How do you plan to get the product to customers?
- b) Pricing Strategy: How much do you charge for the product?
- c) Marketing Strategy: How do you plan to advertise and promote your business?
- d) Financial Strategy: How will budget numbers you project be monitored? How will you cash flow your business? Use power point, graphs, tables or other graphics to illustrate any reports you have created.

7. Products and Services

This section should describe the characteristics and the special attributes of the product and/or service you are providing. It may be helpful to

include a sample or demonstration of your product and/or service and how it works. Include the following where you can:

- i. A physical description including photographs, drawings or brochures. For a service business use a diagram.
- ii. Describe the specific use and appeal.
- iii. Explain the stage of development of your product or service. Include how it was developed and how it might evolve in the future.
- iv. Have a list of experts who will comment favourably about your product (if not available in the first person consider using periodicals, magazine articles, and other resources you may find available).

8. Operations

Describe how you plan to operate your business. This is an appropriate section to address the following issues:

- i. Product development: What activities will you complete in the business to develop the product, if any?
- ii. Manufacturing: If the product requires assembly, where, how and who will develop the product and/or complete the assembly?
- iii. Maintenance and Support: What will you do to support the customer after the product is purchased?

9. Management and Ownership

- Who will play a key role in your business?
- How will the responsibilities be divided?
- How will you select employees to help you with your business?

10. Financial Plan

This section must follow a format that is considered generally acceptable by most financial institutions. Include:

- numbers that represent your financial projections complete with assumptions that explain the basis for the numbers
- projected income statements that explain the performance you predict for your business
- cash flow requirements for the first two years.
- demonstrated plans to achieve break even.

c. How long will it take?

The hardest part of writing a business plan is getting started. The quality of information depends upon the amount of energy you devote to gathering it, so the more effective you want your business plan the more you need to be prepared to

exert energy in this direction. The business plan is essential in moving your new business forward. Many businesses fail because the proper homework has not been completed.

To help you get started and to make the process easier here are some tips:

- ❖ complete the Executive Summary after all other sections of your business plan are done. Remember, this is one of the most critical components of your plan because it must capture the reader's interest and then quickly tell that reader what, how, why, where and when.
- ❖ take the opportunity in the Company Overview Segment to highlight special features of your business. Emphasize the potential your business holds.
- ❖ in the Market Strategy Segment take the time to identify your advertising plans (remember to give cost estimates). Use this section to bring forward any market studies you have completed and work to convince the reader that your sales can be met and that you have a good understanding of your competition.
- ❖ the Products and Services Segment is an opportunity to describe the special features of your product or service and the status of development.
- ❖ use the Research, Design and Development Segment to explain the cost involved, what you've accomplished and any research that has been provided to you.
- ❖ the Operations Segment lists all things associated with the operation that applies to your business like facility, equipment, access to transportation, labour, etc. Share the advantages of your location for your business.
- ❖ in the Management Segment provide resumes for all key personnel as well as providing an explanation of extra assistance you may have received from advisors and consultants.
- ❖ in the Financial Data Segment convince the reader that the business makes sense from a financial perspective by preparing first year, month-by-month, projections as well as second year projections by the quarter. You might consider also preparing annual projections for the third to fifth year of operations. Provide cash flow statements for the first year, only.

A student entrepreneur should think of a business plan as a resume that requires a lot more thought initially but is well worth it in the end.

5. Financing

You will require start up capital to begin your new business. Planning ahead and taking your time to arrange financing will help prevent any surprises. Preparing a cash flow forecast will give you an accurate estimate of your cash requirements for your first 12 month operating period. The business structure you choose for your business will be a factor in determining what method of financing is most

appropriate for your business. The important of business structure is discussed in section.6.

Costs of Starting Your New Business

A typical student business will have the following start up costs:

- Business Registration:
 - a. Name Registration: if you plan to operate under a name other than your own you will be required to register your business with the Province of Saskatchewan.
 - b. Licenses: certain products can only be sold under special license.
 - c. Permits: you may need to purchase or secure a special health permit or vender permits depending on your business.
- Office Supplies:
 - a. Stationary
 - b. Business Cards
 - c. Forms for record keeping and invoicing.
 - d. Small equipment such as staplers, hole punches, pens, etc.
- Office Equipment:
 - a. Computers
 - b. Fax machines
- Insurance
 - a. Land and buildings
 - b. Equipment
 - c. Inventory
 - d. Liability
- Equipment
 - a. Used or New
 - b. Rental
- Vehicle(s)
- Miscellaneous items

B. Sources of Financing

1. Non-bank financing:

- ***Venture leasing.*** If a business has secured the cash it needs to operate venture leasing can be used for equipment. The advantage is that you do not have to raise additional capital for equipment. You make payments of

principal plus interest over a period of time and have ownership of the equipment when the lease period ends.

- **Insurance.** Insurance companies may allow policyholders to borrow against the value of their policies or cash in their life insurance policies.
- **Credit Cards.** Some entrepreneurs have used their credit cards as a source of quasi-financing. Be cautious because interest rates may be as high as 28%. While you can pay back the amount you owe over a period of time it is considered a relatively expensive way to finance a business and not generally recommended.

2. Self-funding:

Personal resources may be used from your savings or sometimes consideration will be given to what is known as sweat equity. Sweat equity is earned when individuals either contribute their time or provide it at below market value to help the business get established.

3. Family and friends:

Another popular source of financing is from family and friends. It is highly recommended that you provide the same amount of explanation and documentation to family and friends as you would to other investors.

4. Angels:

An angel is a private investor who is often looking for an opportunity to invest their money. Usually an angel investor has very specific interests and so will not invest in just any business but one that meets their personal goals, first. Angels generally take an equity position which may require investment returns of 20 - 35 %. It is not uncommon for an angel investor to be given a seat on the company's board of directors.

5. Private Equity:

- **Venture capital**

While some venture capital firms specialize in early stage funding, this is the exception rather than the rule. Most often venture capital is not available to a business until the firm is ready for commercialization. Venture capital money is most often provided as equity so while the potential for return on investment for the investor might be high it might just as easily be non-existent. The rule of thumb for venture capital companies is that out of 10 investments only 2 will return the rate of investment promised while 2 will return the original investment and in the remaining 6 cases the original money will be lost.

A public stock offering is also an option for raising capital for a firm undergoing rapid expansion after the initial commercialization stage. Meeting the requirements of creating a public stock offering are very intensive. While many companies are not able to meet these requirements it can be an excellent tool to sourcing a pool of money. A firm should have profits after taxes of \$1 million before it considers going public.

- **Private Placements**

A private placement involves selling shares to private investors in a private corporation.

- **Preferred Stocks**

Preferred stock is another technique that business owners use to create sources of capital. Preferred stock gives investors a guaranteed credit status in case a company goes bankrupt.

- **Web sites**

The Internet is a good source of information. Using the Internet allows you to explore many different options with respect to financing while protecting your privacy. It will also allow you time to become knowledgeable about the method of financing you intend to pursue.

6. Public Equity

Going public means a business looks to the general population (e.g. people in the community) to make an investment in their company. These types of investments generally have fairly detailed conditions around the length of time the money is being provided, the rate of return, and how decisions might be made in the future. Participation in this kind of investment is usually made when an individual can see, and be confident, in the product or service. Many businesses across the high tech spectrum of companies, from wireless telecom to software development, hardware, handsets, multimedia and virtual reality have used this investment vehicle to acquire needed capital.

7. Corporate support

If traditional financial deals are unavailable to your company consider forming a strategic partnership. These strategic partnerships or alliances work best when it is a win-win situation. The danger in these types of alliances is knowing when to move on or to change who it is you do business with. Many well intentioned strategic alliances have ended in failure because they didn't end when they should have.

8. Bank loans

Bank loans may be unsecured (a personal or signature loan that requires no collateral) or secured (assets pledged to the bank to ensure that the loan will be paid) loans. You will need to write a loan proposal to acquire a bank loan.

9. Joint Venture

Joint venture refers to a short-lived partnership with each partner sharing in costs and rewards of the project.

10. Moonlighting

Many businesses begin while the individual is working a regular job. The income from the job can help support the owner during the initial stages.

11. Bootstrapping

This is the money that is saved from an ongoing business to finance another business.

There are special programs for young entrepreneurs in today's marketplace. Some of these programs involve loans that you must repay but generally offer increased flexibility with respect to down payment requirements, length of term or payment schedules. Several programs offer limited access to grants – money that does not have to be repaid providing certain conditions are met. In some cases there may also be federal, provincial, territorial or private sector sources that can provide funds for the development of the initial stages of your business plan.

Check with your local Community Futures office to find out if there is a program for you.

C. Profit Magazine's Top Financing Tips (Prepared by James Dean and Grant Simons)

1. To avoid frustration you must understand the nature of banks and their long term financing strategies.
2. Find financing to suit your business. Some investors know more than others about your industry.
3. Use your contacts. Friends, family and other entrepreneurs can give you good advice.
4. Consider suppliers as sources of financing. They can extend trade credit, for example, or provide lease financing of inventory.
5. Re-examine the capital structure of your business from time to time to make sure it's still appropriate. The proportion of bank financing, owner's equity and private investment, for example, may rise and fall, depending on the circumstances.
6. Be prepared to walk away from a deal you don't like. If it's too expensive, too restrictive, or too unmanageable, the financing may not make sense for your business.
7. Consider other ways to find financing.

8. Do you want control or do you want growth? Sometimes financing for growth comes at the cost of giving up control. Can you handle that?
9. Think about your lenders as suppliers. They need your business as much as you need your product, which in this case happens to be money.

D. Participating in a Credit Interview

As you go about securing financing you will need to be interviewed by a loan manager. Always be aware of how you will present yourself. Follow these tips to make a good impression:

Do:

- Maintain eye contact with the interviewer
- Shake hands firmly with the interviewer/ loans manager
- React to what the interviewer tells you: nod, smile
- Have a sense of humour
- Show enthusiasm and energy
- Express a positive attitude
- Pay attention and think before you answer a question
- Be aware of your posture and your tone
- Be calm and poised
- Thank the loans officer
- Dress appropriately
- Be on time
- Ask questions throughout the interview.

Don't:

- Smoke or chew gum
- Ramble
- Sit down until you are told to do so
- Criticize former loans officers
- Joke or initiate unrelated conversation
- Volunteer negative information.

6. Personnel

People who work with you in your business can make you or break you. Selecting the right people, outlining their job descriptions, and finding out what the going wage rate is for their positions are the first duties in building your human resource team. Your second duty as the owner of the business or the employer is an understanding of labour laws (regulations created through legislation that each employer must follow).

The right employee can bring energy into your business, motivate existing employees and serve as a role model. There are **three steps you must take to determine whether you are ready to hire:**

- Step 1: Identify business strategies and needs
- Step 2: Conduct a job analysis and write a job description
- Step 3: Determine the feasibility of hiring using the financial records of your business.

1) Employee Attributes:

a) Personal Skills

Interpersonal	Interviewing/ Counselling
Organizational	Leadership
Decision making/ Judgement	Verbal and Written Communication
Planning	Problem solving

Most of these skills are considered soft skills – not easily measured but rather learned over time and for the employer may be difficult to determine in a first interview with a potential employee. When interviewing, human resource experts will advise that you ask open ended questions “how do you feel about??” “how would you handle the following situation.....???” versus closed questions that can be answered by “yes” or “no”. Open ended questions will provide good indicators of the range of “soft” skills the potential employee possesses.

b) Industry Knowledge/Experience

As you look to hire employees you must determine whether or not they have skills that relate to your particular industry or business. These skills are considered “hard” skills because they are very specifically learned. Several examples of these skills include:

Plumbing	Electrical
Bookkeeping	Estimating
Teaching	Architecture

Construction
Computer Hardware/Software
Clerical

Electronics
Landscaping
Welding

Most of these skills can be proved because the individual claiming to have them is able to support that claim with a certificate and/or degree. What, of course, can't be proved is the degree of competency. For example in a certificate program if the passing grade is 65% then two individuals one of whom achieved grades of 90% has the same certificate as the individual who achieved 68%. There is of course some difference between these two individuals in terms of competency and as the employer it is your responsibility to determine the best hire.

c) Preferred Qualities

Many employers look for very particular qualities in the individuals they hire to work with them. Some of these qualities are described below:

Self- Motivated
Customer- Oriented
Team- Player
Flexibility/ Adaptability

Innovative
Results- Oriented
Competitive Insight
Detail- Oriented

These qualities can be tested by using open ended questions and to some extent can be learned over time or encouraged by using appropriate motivators.

2) How to select the Best Candidates

Step 1: Review Resumes. You are looking for:

- Experience appropriate to your industry or business
- Accreditation, if required, in your industry or business
- Demonstrated qualities and/or personal skills
- Communication style.

Step 2: Screen Applicants by Telephone. This is your opportunity to begin sorting through the applications. This conversation allows you to make some determination about the individual based on how they answer your questions and their verbal communication style.

- Did they answer the questions you asked in a direct manner
- Did they “sound” confident
- Do you have the sense they want to work for you or in your business
- Do they know details about your business (have they done some homework before submitting a resume?)

Step 3: Interview Selected Candidate(s). This one on one opportunity is a bit stressful for both you and the applicant. This is your opportunity to “check out” the individual and it is the applicants opportunity to “sell” themselves to you. If you intend to do some “testing” during the interview make sure you advise each applicant in advance. Some tips to conduct a successful interview are:

- Prepare your interview questions in advance
- Start the interview with getting to know the applicant in a general way
- Tell the candidate how long the interview will take and the type of questions you will be asking
- Always allow some time for the applicant to ask questions of you
- Do not allow any interruptions while you are interviewing.
- Try to put the candidate at ease.

Step 4: Conduct reference and background checks. Some tips that will help you complete meaningful reference checks include:

- Prepare your questions in advance
- Notify those you are calling in advance – set up a time that is mutually acceptable to both you and the person providing the reference.
- Give the contact appropriate time to answer your questions
- Try to ask open ended questions where possible
- Allow the contact to make comments of their own
- Do ask the question “would you hire this person?”

Step 5: Rank candidates and select the final candidate. Try to be consistent when evaluating the individuals you interviewed. It is important to measure using the same tools and benchmarks. Setting up a table can be helpful to ensure you make an informed decision.

Step 6: Extend an offer of employment.

3) Positive Work Environment.

It is important to you and to each person you hire to have a positive work environment in your place of business. Your business will have a positive work environment if you ensure that:

- Your training programs are well defined
- You provide solid leadership and direction
- You maintain a supportive and trusting environment
- Personal and business lives are in balance
- You have open communication lines with your employees.

7. Business Equipment

What type of equipment are you going to need to operate your business? Of course, it will vary depending on the demands of your business, however there are some basic pieces of equipment most new businesses need. These are:

- Furniture
- Computer
- Software
- Modem
- Fax Machine
- Copier
- Phone
- Answering machine/ Voice mail
- Cellular phone
- Pager
- Postage meter
- Calculator

There are many options to acquire equipment – purchase, lease, rent, etc. You must decide which option is best for you. Many business owners make these decisions based on frequency of use, cost, and replacement timelines.

As you make purchases for your business whether they are equipment, fixtures and furnishings and/or inventory you must consider your needs as they relate to insurance. Most business owners carry at least two types of insurance - property (compensates you for damage caused by fire, flood or burglary) and liability (protection for you against suits by individuals who are harmed by your product or in your business location).

8. Marketing

Marketing is the tool that helps everyone be aware that your business exists. Every business venture needs a business plan but equally as important is the development of a marketing plan. In the marketing plan you focus on the customer.

So, how do you put together a **marketing plan**? Follow these steps:

Step 1: Define your product

Explain how your product is different from the competition. What type of buyer would be interested in your product?

Step 2: Describe your target customer

Describe your customers in terms of age, sex, family composition, earnings and geographic location. Are your customers conservative? or innovators? timid or aggressive? traditional or modern?

Step 3: Create a communication strategy

Find out what your target customers read, what they listen to and who they take advice from. This information will help you target specific mediums so that you can get their attention. Decide what will help your prospective customers recognize you.

Before you launch a marketing campaign, answer the following questions about your business and your product or service:

- Do you know what features of your product will appeal to different parts of the market?
- Have you described how your product or service will benefit your customer?
- Do you know what the price of your product or service will be?
- Can you forecast your sales?
- What media will you use in your marketing campaign?
- Do you have any options that you can offer for your product or service?
- Do you have a warranty or guarantee?
- Do you have clear-cut instructions for your product or service, if necessary?
- Do you have product liability insurance?
- Will your packaging appeal to your target market?
- Have you filed a patent for your product?
- How will you distribute your product?

Knowing the answers to these questions will help you put together the best marketing strategy that you are able. Only then will you be able to decide the best medium for getting your message across.

Types of Advertisements:

Radio and Television
Direct Mail
Brochures
Sales letters
Postcards
Catalogues

Newsletters
Classified Ads
Co-op Advertising
Networking
Flyers

9. Keeping Track

Bookkeeping

Most entrepreneurs would rather spend their time making and selling their product than keeping their books. Bookkeeping is important because it:

1. helps you keep track of the money coming in and the money going out.
2. creates records that ensure you meet your obligations in terms of income tax, trust and payroll taxes. It is these same records that will help you prove, if necessary, the extent of your sales and expenses.
3. is an excellent business management tool.

Most businesses use **one of two accounting methods – cash basis or accrual basis**. The choice in terms of method depends, to some extent, on your sales volume, whether or not you sell on credit, and your business structure.

The cash method bases your records on the actual flow of cash in and out of the business. Income and expenses are reported when they are actually paid. This method is used mostly by businesses that have no inventory or by businesses that operate sales on a cash basis only.

The accrual method of bookkeeping records income and expenses as they occur regardless if the payment has been made or collected (credit sales).

Every entrepreneur should understand the **basic elements of an accounting system**. The cash method is generally the one that each of us is familiar with because, typically, it is the one we use in our every day lives. An example of the cash basis is your personal chequing account – you record cash “in” when you make a deposit and you record cash “out” when you write a cheque or use your debit card. The difference between your deposits and your withdrawals is your cash balance or the amount of money you have left.

Whether you choose to keep a manual set of books or use a computer software program the components of a complete bookkeeping system include:

- a) **Chart of Accounts** – The chart of accounts is the foundation on which you will build your accounting system. The chart is a list of each of your income and expense categories. Take care to set up your chart of accounts right the first time by ensuring that your account descriptions are as concise as possible. Especially in a computerized system most business owners number their accounts. Make sure you establish a numbering system that allows you to add additional income or expense lines. Account numbers are used as an easy identification number system.

b) **General Ledger**- Your general ledger should be set up in the same order as the chart of accounts. The general ledger reflects a summary of each of the transactions you make. An important component of the general ledger is source documents (copies of invoices to customers, invoices from suppliers, etc.). These documents provide what is known as an audit trail. The audit trail will help you analyze the financial transactions made by your business or help you prove to a regulatory agency or department the extent of your financial transactions. All general ledger entries are double entries since the money goes from one place to another. Debits always go on the left and credits always go on the right.

c) **Accounts Receivable**- in the accounts receivable ledger you track who owes you money, how much they owe you and when it is due to be paid. Subledgers can be established for each customer. A good computer software system will help you track billing and collection to ensure that is done in a timely manner.

d) **Inventory**- An inventory control system will help you keep good records of inventory that has been sold or returned, the cost of the goods being sold, and the dollar value of inventory that you have on hand.

e) **Fixed Assets**- includes vehicles, land, buildings, leasehold improvements, machinery and equipment. Fixed assets are those goods that have an extended useful life and consequently are expensed over a period of time that coincides with that useful life. The amount expensed each year against a fixed asset is known as depreciation.

f) **Accounts Payable**- accounts payable are similar to tracking accounts receivable but occurs when you purchase inventory or other assets on credit from a supplier rather than when you sell inventory to a customer. It is important to track accounts payable to ensure that you know how much you owe each supplier and when that payment is due. Maintaining good records will help ensure that you meet your payment obligations which in turn will help you maintain a good credit rating.

g) **Payroll** – there are many provincial and federal laws regulating your obligations as they relate to payroll. For example, an employer must make contributions to Canada Pension and Employment Insurance premiums on behalf of their employees. Both the employee and employer share of payroll taxes must be remitted on a monthly basis to Canada Customs and Revenue Agency. Depending on the situation in your own business you may have other obligations including the remittance of union and/or professional dues, pension plan contributions or group benefit premiums. Only a good record keeping system will ensure that you meet each of these obligations on time.

Taxes

When you operate your own business you also need to know about the tax laws. It is your responsibility to be aware of these laws and to pay the appropriate amount of tax. By contacting your local Canada Customs and Revenue office, you will be able to find out about the various aspects of taxes that you need to be familiar with. It is your responsibility as a business owner to have accurate, clear, and complete records and to have met all of your legal requirements.

For business purposes, **taxes fall into three categories:**

a) Taxes on income earned

If your business is a sole proprietorship, you will include the income (or loss) of the business on your personal income tax return. In a partnership, the owners include their share of income (or loss) of the business in their personal income tax return. If the business is incorporated it becomes an entity, for tax purposes, separate from you as the owner(s) and consequently files its own tax return. Your incorporated business will be subject to specific corporate income tax regulations that may be best understood by consulting with an accountant.

b) Sales Tax

The federal government levies general sales tax, excise tax, and custom duties. Individual provinces also have their own sales tax. It is the businesses' responsibility to collect this tax from every sale or job that is taxable and to pay this tax at regular and specified intervals.

c) Tax on ownership of property or buildings

This tax is levied by municipal governments and is based on the size, location and value of your property and building. If you rent or lease property or a building you may not have responsibility for paying these taxes directly to the appropriate agency unless specifically outlined in your contract because these taxes are assessed in the name of the property owner.

10. Importance of Business Structure

One of the most important decisions a young entrepreneur will make is how to legally structure the business. The legal structure of the business must meet the requirements of your business so, intentionally, we have left it to the end. Too often people will make decisions based on what structure they would like to have versus the one they should have. Now that you've had an opportunity to learn about all of the issues you'll need to address in starting your business you're ready to make a decision with respect to business structure.

The following questions will help determine which form of ownership is best for you:

- How big can this business potentially become?
- How much control do you need in the decision making process of the business? Are you willing to share ideas and the business?
- How much capital is needed to start the business?
- What tax considerations are important? What sources of income are there and how are they to be sheltered?
- In case of failure, to what extent are you willing to be personally responsible for debts created by the business?
- Is it important that the business continue in case of owner incapacity or death?
- Who will be the sole or major beneficiary of the business success? Is the owner the type of person who doesn't mind taking all the risks but expects to reap all the benefits if successful?
- Can you put up with the time consuming bureaucratic red tape associated with more complicated forms of ownership? What is the emotional reaction to government regulations and their accompanying paperwork requirements?

1) Forms of doing Business

a) Sole proprietorship

A sole proprietorship is a form of business that has a single owner. You must still register your business name with the Province of Saskatchewan but for all other intents and purposes there is no “formal” business structure. The business can be dissolved or closed at any time and always ends upon death of the owner. The sole proprietor or owner has the right to make all the decisions for the business. The owner is personally liable for all debts and contracts of the business. When operating as a sole proprietorship there is no distinction between personal and business debts.

Advantages of a Sole Proprietorship

- Simple to create
- Low start up fees
- Profit incentive
- Total decision making authority
- No special legal restrictions
- Easy to discontinue

Disadvantages of a Sole Proprietorship

- Unlimited personal liability
- May be limited by the skills and capabilities of the sole owner
- Limited access to capital
- Lack of continuity for the business

b. Corporation

A Corporation is one of the most common of the forms of business ownership. It is a separate entity apart from its owners and it accepts the regulations and restrictions of the country it is incorporated in. A Corporation must annually report its financial operations.

Advantages of a Corporation

- Limited liability of the stockholders
- Ability to attract capital
- Ability of the corporation to continue indefinitely
- Transferable ownership
- Corporation can draw on the skills, expertise, and knowledge of its officers and board of directors.

Disadvantages of a Corporation

- Incorporating a company can be costly and time consuming
- As your company grows your ability to retain decision making control may be affected.
- The corporation has a number of reporting responsibilities to various levels of government. Not providing the appropriate reports carry penalties.

c. Partnership

A partnership is an association of two or more people carrying on as co-owners of a business for profit. There could be a general partnership, that declares each partner participates in all profits and losses equally or to some previously agreed upon ratio (a limited partnership) that limits the participation and/or liability of the partners to the extent they have mutually agreed.

A partnership can be incorporated or unincorporated. An incorporated partnership follows the same rules as any other incorporated business entity. An unincorporated partnership generally follows the same rules as a sole proprietorship.

Advantages of a Partnership

- Complementary skills of partners
- Division of profits and/or losses
- Larger pool of capital
- Shared decision making

Disadvantages of a Partnership

- At least one member of every partnership must be a general partner that has unlimited personal liability.
- Partnerships may have limitations and restrictions in raising capital.
- Most partnership agreements restrict how partners can dispose of their share of the business.
- Partnership interest is often non-transferable by inheritance.
- There is always potential for personality and authority conflicts in partnerships.

d. Limited Liability Company (LLC)

An LLC is a blend of some of the best characteristics of corporations, partnerships, and sole proprietorships. It is very flexible and simple to run. The owners are called members, who can be individuals, corporations, other LLC's, trusts, pension plans or other entities.

Advantages of an LLC

- Owners do not assume liabilities for debt.
- LLC's offer different classes of stocks
- There are no restrictions on the number and types of owners.

Disadvantages of an LLC

- There is difficulty in business expansion out of province.
- Transfer of ownership is restricted.
- Requirements are different in each province and country.
- LLC's cannot be used for professional services such as accounting or legal firms..

V. Reflecting

What makes a business successful?

Most experts and seasoned entrepreneurs believe some degree of failure is essential to long term success. Jack Matson in Using Intelligent Failure states that intelligent failure is a building block to future success. We constantly deal with failure in life. The first step to success is getting over the fear of failure. If one thing doesn't work, we simply try something else. Some advice about failure suggested by Warren Avis (founder of Avis Rent-a-Car) gained from his personal business experience is:

- There is no such thing as the perfect deal; always look for what might be wrong with the deal in front of you.
- The first solution to a problem is probably not the best. Force yourself to list at least four other solutions: 80% of the time, one of them will be better than your first solution.
- If properly put together, groups make better decisions than individuals. Take advantage of the talents that others possess, especially the unique individual who sees things from a perspective different than your own.
- Expect the unexpected- more often than not, it happens. Be prepared for the worst.
- Never say never.

Bouncing Back

Rejection is difficult for everyone. As an entrepreneur rejection doesn't come any easier - the word "No" hurts. If you want to be a successful entrepreneur, you must learn to combat rejection and the "No" word. One secret to rejection is to never think of it in the negative but to turn it into a positive. While rejection may still hurt a bit you can take comfort in turning it into an opportunity by making your product or service better because of it.

To maximize business success you must be sure you have balance in your personal life. While there might never seem to be enough time in the day to do everything you want you must take time for your family, for rest, for exercise and for relaxation.

Stress Test

Stress is an unavoidable part of owning a business and you must learn to deal with it. Some simple steps that you can take to reduce stress are:

- Identify the stress factors in your life. You need to recognize what or who brings stress into your life – that simple recognition may by itself relieve

some of your tension. Knowing what causes you stress will help you deal with it.

- Make a schedule and stick to it. Make lists of everything you need to start, finish, remember or worry about.
- Delegate. If you don't have any employees ask a family member or hire a temporary worker to help you with the simple and/or time consuming tasks.
- Cultivate a relaxing workplace. Make sure you have adequate lighting, a comfortable desk, and good ventilation in your workplace.
- Sleep and eat right. Eliminate fat foods in your diet, use caffeine in moderation, and get enough sleep.
- Get Physical. Make sure that any exercise workouts complement your daily business routine.

Setbacks are good teachers. You learn to not sweat the small stuff but to concentrate on solving the big problems.

“Don't ask whether something can be done; find a way to do it.”

- An Wang(b.1920)

Chinese American Inventor and founder of Wang Laboratories

VI. Incorporating Entrepreneurship in the Curriculum

This handbook provides students with a basic understanding of entrepreneurship. The challenge for the teacher is to ensure that a business and education partnership can be reached. It is the responsibility of the teacher using the handbook to decide where the activities will best meet the foundational and learning objectives of a specific curriculum.

Through discussions with teachers the Sagehill Development Corporation has discovered that an entrepreneurship program could be incorporated into the following curriculum because there is a strong correlation between the foundational objectives of these curriculum and the Taking Care of Business Handbook:

- Career Guidance – A Curriculum Guide for the Middle Level
- Entrepreneurship 30
- Life Transitions

In the following six areas of study there are foundational and learning objectives that could be met using this Handbook:

- Health
- Law
- Social Studies – Middle Years
- English Language Arts – Middle Years
- Math 10
- Math 20

This *Taking Care of Business* Handbook can also be used as an extra curricular activity in your school.

Benefits of Entrepreneurship Education

- **better understanding of “community”**
- **increased general and/or business management skills**
- **provides an orientation to “change”**
- **increases understanding of a market economy**
- **assists with an individual’s personal growth**
- **expands creative thinking skills**
- **sharpens decision making skills**
- **introduces an alternate career choice**
- **provides an opportunity to apply technical skills and experiences.**

Introductory Activities

A motivational set should be provided to introduce the students to entrepreneurship. Some possible introductory activities could be:

- Invite a representative from Newsask Community Futures Development Corporation to speak to your class about entrepreneurship.
- Show a video like “ They Say You’re Too Young To Run A Business” from the Royal Bank. This video includes a Study Guide and provides questions that can be used before and after viewing the video.
- “Starting Up and Getting There!” from CIBC. This video, developed by TV Ontario, is accompanied by a manual on how to get started in a business and reproducible worksheets.
- Play a career game discussed in the Middle Years Career Guidance Curriculum.
- Have your class participate in a personality test like Myers- Briggs or other personality checks that may be available. Discussion regarding characteristics the student’s possess that are associated with entrepreneurship could then be discussed.
- Have the students develop a group definition of “ Entrepreneur” through brainstorming. Using the definition developed, the students will then think about the characteristics that that an entrepreneur possesses. Materials included in this handbook could be made to guide the teacher with discussions
- Have Students roleplay business situation where the students take on different roles involved in a business venture, one being an entrepreneur, another a customer, etc.
- Use the “Visualize Your Future “ Activity provided in this handbook.

From: <http://www.entre-ed.org/busplan.htm>

Business Plan Basics

The business plan is a tool to help you find and explore opportunities.

Students at any level of education can use the concept of preparing a business plan as a method of exploring all kinds of ideas for starting a business. It is merely a series of questions that lead you to think about the requirements and the possibilities of any kind of business. Until you start to ask these questions, you aren't able to visualize the details necessary to be successful in a business.

There are many different approaches to writing a business plan, some more complex than others. But the basic components of a business plan can be organized as follows:

- providing a description of the business,
- choosing the best marketing strategy,
- identifying the management plan, and
- analyzing the finances needed to start the business and make it successful.

WHY DEVELOP A PLAN?

The **process of making choices** is the most important reason for anyone to learn how to write a business plan. It is fun to think of yourself as a business owner, to dream about your successes, and to talk about your ideas. But when you have to answer the specific questions of a business plan, you must make decisions about the direction your business will take...decisions that may show you that this idea is not likely to be successful. But, no problem, then you can go back and make different decisions until you find a way to be successful.

We sometimes hear people arguing that business owners don't always have a business plan...but perhaps they should. Once you are into the day-to-day operations of a business it may be too late. But most banks value a good business plan when you are looking for funds for your business. And in our educational system it is one tool that can be used to provide learning experiences that open students to the opportunities in their own community.

As a teacher, you can use the business plan as a learning activity at all levels of education. For very young students it can be included as part of a simulation about the processes of business. It can reinforce skills being taught in math, communications, spelling, art, and computer skills. In fact a teacher of history or geography could use the business creativity approach to identifying ways to start a business using their curriculum as the source of ideas. It could give students a closer feeling of what it was like to live in different times in history, or in different parts of the world.

Language teachers have a natural opportunity to teach use of a language for business in other countries by having students create a business for exporting or importing there. You might even connect students with these countries through the Internet.

The closer a student is to becoming an adult, the more important it is to give them real-life opportunities to practice making decisions about a business of their own. The practice of business planning is an experience important for the learning process. And every time a student does this decision-making the possibility of really starting a business becomes more tangible.

A VARIETY OF APPROACHES IN THE CLASSROOM

Many high school courses are teaching the skills of entrepreneurship. In such courses the teacher can give the students many types of challenges to develop a business plan for.....

- a business needed in your town
- a business using your own personal skills and talents
- a business that involves exports to another country
- a home-based business
- a business that could be started with \$1,000
- a business that would require \$50,000 to start
- a business that would require \$1,000,000 to start
- a franchise that you develop and offer nationally
- a service business
- a partnership between two students in the class
- a corporation formed by small groups in the class
- for the worst possible business idea you can imagine ...try it, you will be surprised.

BUSINESS PLAN QUESTIONS

The business plan is a tool designed to help you find and explore opportunities. It also provides you with a way to analyze potential opportunities continuously. A business plan is personal and should never be "canned" or prepared professionally by others. No one knows you or your ideas better than you do. It is the process of seeking the answers to important questions about your enterprise that are important as you try to realize the dream of owning your own business.

Use the following questions to make decision about a business idea of your choice. Be sure to write out your answers...to remember your decisions and build on them.

1. How can you describe the business...in only one paragraph please?
2. What is your product, or service?

3. Who will buy it?
4. Where should you locate the business?
5. How can you attract customers?
6. What is your competition?
7. How much should you charge for the products or service?
8. What advice do you need and who can provide it?
9. How will you organize the managers and/or workers of the business?
10. How will you split the profits? Who is responsible for the losses?
11. What should you consider to be able to produce the product and get it to the customer?
12. How much money is needed to get the business started?
13. How many customers will you have per month and how much will they buy per month?
14. How much does it cost to make the product or provide the service?
15. What are your operating costs? (Include your own salary)
16. How much money will your business earn each month by selling your product or service?
17. How much investment will you need to keep the business going until you make a profit?
18. What is your potential profit per year for Year I, Year II, and Year III?
19. How much money do you need to borrow to start this business?
20. How will you make the business grow in the future?

There are other questions you might ask depending on the type of business you have in mind. There are many different formats for a business plan based on what you need for the business of your choice. The point is to start asking yourself questions and then looking for the answers.

Are you having trouble getting started? Perhaps you should interview a local business owner about these decisions in relation to the startup of that business. Write down the answers and discuss them with other students to decide how you would have started such a business.

Ideas for Starters

You might want to think about some of the following types of business to get your business plan "thinking processes" moving:

- Lemonade stand
- Refreshment stand at local games
- Child care
- Hot dog stand
- Yard care
- Developing a web page for others
- Youth community center
- Shopping service for seniors
- Pet sitting
- Delivery services

House cleaning service
Janitorial services for local businesses
Selling used clothes
Jewelry making
Catalog sales
Temporaries agency
Computer service business
Add value to an existing product
(packaging, new Marketing local crafts design, new customers, different size)
Travel services
Musical group
Repair services (shoes, electrical equipment, cars, clothing, etc.)

QUESTIONS FOR CREATIVE THINKING

Use some of the following questions to guide your thinking about starting a business:

- A. What kind of business would you start if your family would lend you \$5000 to get it started?
- B. What kind of business would you start if you and two classmates had access to a loan for \$100,000?
- C. What kind of business could you start if you want to do business with another country?
- D. What type of business could you start while still going to school?
- E. What type of business could you start using the skills you have now?
- F. What type of business could you run while also working in a part time job (to provide the security of a salary while the business grows)?
- G. How could you start a business and then later make it into your own franchising business for purposes of expansion?

VII. Teaching Tools: For Your Information

1. Checklists for Taking Care of Business

This particular section of *Taking Care of Business* is designed to provide teachers with a variety of checklists that can be incorporated into core areas of study.

Feel free to photocopy the checklists for your class. Checklists are a very valuable tool in ensuring that every aspect of a topic is covered. Most of us feel some comfort from knowing that a checklist is complete and consequently, at least on a personal level, generally means the job is done.

A. Venture Checklist

The following checklist is meant to assist you in assessing each point against your business plan. Carefully consider each point and its relevance to your proposal or situation keeping in mind that not all points will apply. This diligence will highlight any areas of deficiency and allow you to elaborate as required.

Remember, if you're presenting your business plan to a lender for a loan, the more complete the plan is, the more credible you are. Consider these important points before you begin a new venture.

Market

a) What is the Nature of Your Market

- Number of potential buyers, by region;
- Number of existing buyers, by region;
- Profiles of buyers ... age, income, occupation, education, sex, family size, by region, etc.;
- Profile of users (if buyers and users are different), by region;
- Where do the buyers and users live ... region, certain city size, urban, suburban, rural;
- Where buyers buy ... urban, suburban, rural, trading center, local, type of store;
- Size, in terms of dollar value, of purchases;
- When buyers buy ... time of day, week, month, year, and frequency of purchase;
- How buyers buy ... name brand specifications or not, impulse, planned, comparison, personal inspection, cash/credit;
- Why buyers buy ... attitudes, motivation, trends, styles;
- Who influences buying decisions ... the type of product and brand and/or the uses of the product;
- Unfavourable attitudes of buyers and brand;
- Indicators of change(s) in buying habits.

b) Structure Of Your Market

- ❑ Number of competitors;
- ❑ Number of brands ... national, regional, local;
- ❑ Share of market by brands ... total regional, city size, type of store;
- ❑ Characteristics of leading brands;
- ❑ Differentiation of own brand from leading brands;
- ❑ Policies, presentation, methods and tools of principal competitors.

Your Product Profile

a) The Product

- ❑ Quality ... materials, design, durability, safety, method of manufacture and workmanship;
- ❑ Models, sizes, colors, flavors, etc.;
- ❑ Luxury, standard, essential;
- ❑ Convenience.

b) The Package

- ❑ Protection ... shipping, handling, theft, tampering, spoilage, etc.;
- ❑ Utility ... measures, closure, reseal, disposable, etc.;
- ❑ Identification ... universal product code, visual exposure, color, label;
- ❑ Display ... versatility for stacking, hanging, filing, etc.

c) The Name Brand

- ❑ Legal ... logo, trademark, copyright, industrial design;
- ❑ Image ... memory value, goodwill value, recognition, suggestiveness, pleasing, generic, original.

d) The Service

- ❑ Installation ... who, when, cost, delivery;
- ❑ Maintenance ... who, when, cost, convenience;
- ❑ Repair ... who, when, cost;
- ❑ Warranty ... who, when, how long;
- ❑ Accessories ... after market, compatible.

Your Place In the Market

a) Distribution Channels

- ❑ Number of retailers ... each type by region;
- ❑ Number of wholesalers ... each type by region;
- ❑ Per cent of retailers ... each type, handling brand by region;
- ❑ Aggressiveness of retailers, co-operation by region, store type and city size;
- ❑ Indications of shift in relative importance of channels.

Your Promotion

a) Personal Selling

- ❑ Recruiting and selection ... methods, qualifications, standards;
- ❑ Training ... methods, skill development, motivation;
- ❑ Supervision ... performance reviews, development;
- ❑ Compensation ... commission, bonus, benefit plans.

b) Advertising

- ❑ Effectiveness ... comparison of advertising space purchased, timing, customer appeal, theme(s), black & white vs colour;

- ❑ Cost effectiveness ... various media, style, background, placement, frequency;
- ❑ Product effectiveness ... feature products, merchandising tools.

c) Sales Promotion

- ❑ Co-operative advertising;
- ❑ Deals, premiums, coupons, discounts, bonus gifts.

d) Publicity

- ❑ Announcements, press releases, public service ad, notable mentions, awards.

Your Price

- ❑ From factory ... volume capacity vs. demand;
- ❑ To wholesalers ... by type, size and region;
- ❑ To retailers ... by type, size and region;
- ❑ Discounts ... functional, volume, cash, other;
- ❑ Allowance and deals;
- ❑ Service charges;
- ❑ Price stability ... commodity influences such as energy, labour, weather, technology.

Your Strategy

- ❑ Selection of a target market;
- ❑ Development of a marketing mix.

Your Operation

a) Location

- ❑ Traffic patterns;

- ❑ Parking;
- ❑ Zoning;
- ❑ Local development trends.

b) Facilities

- ❑ Lease/purchase;
- ❑ Utilities;
- ❑ Storage;
- ❑ Expansion potential;
- ❑ Fixtures and equipment;
- ❑ Leasehold improvements;
- ❑ Layout;
- ❑ Installations.

c) Operating Systems

- ❑ Production;
- ❑ Inventory;
- ❑ Record keeping;
- ❑ Job policies and procedures;
- ❑ Maintenance.

d) Operating Assistance

- ❑ Lawyer;
- ❑ Accountant;
- ❑ Management consultant;
- ❑ Engineering services;
- ❑ Financial services;
- ❑ Human Resource services.

Your Finances

a) Capital Structure

- Equity;
- Current assets;
- Current liabilities;
- Fixed assets;
- Short term debt;
- Long-term debt.

b) Operating Forecast

- Sales;
- Cost of sales;
- Gross margin;
- General operating expenses;
- Net profit;
- Income tax payable;
- Cash flow analysis;
- Contingency analysis;
- Risk analysis;
- Inflation impact analysis;
- Interest rate impact analysis.

c) Financial Services

- Bank/Credit Union;
- Mortgage lender;
- Insurance coverage;
- Bonding;
- Trade credit;
- Venture capitalists;

- ❑ Background equity;
- ❑ Government programs.

Your Organization

a) Legal Structure

- ❑ Proprietorship;
- ❑ Partnership;
- ❑ Private corporation;
- ❑ Public corporation;
- ❑ Joint Venture.

b) Registration

- ❑ Trade names;
- ❑ Trademark/logos;
- ❑ Business license;
- ❑ Permits;
- ❑ Provincial Sales Tax (PST);
- ❑ Goods and Services Tax (GST);
- ❑ Excise Tax;
- ❑ Professional or trade licenses;
- ❑ Memberships.

c) General Arrangements

- ❑ Contracts;
- ❑ Business forms;
- ❑ Personal will;
- ❑ Buy/sell agreement;
- ❑ Cross insurance;

- ❑ Key man insurance;
- ❑ Occupational health and safety.

Your Staff

- ❑ skilled;
- ❑ unskilled;
- ❑ supervisory capacities;
- ❑ qualification standards;
- ❑ job descriptions;
- ❑ wages and salaries;
- ❑ performance standards;
- ❑ staff benefits;
- ❑ staff training.

You and Your Management Team

- ❑ Can the management team prepare and implement a sound business plan?
- ❑ Does the management team have adequate authority and control to fulfill their responsibility?
- ❑ Do training programs encourage personal skill development geared to accepting increased responsibility?
- ❑ Can management change be introduced as required to benefit the business, even if the changes require a new manager?
- ❑ Does the management team have the following qualities - character, stamina, planning control, development, leadership, decision-making, confidence, practicality? And **Commitment**?

Your Own Preparation and Commitment

- ❑ Have you obtained independent legal advice on all contracts?
- ❑ Are all of your financial commitments finalized? In **writing**?
- ❑ Does the business plan have time in its favour?

- ❑ Are you prepared to lose your business investment?
- ❑ Are you prepared to succeed?

From: Saskatchewan Economic Development: Starting a Business in Saskatchewan.
Regina. 1993. pp. 39 – 43.

Identifying Personal Barriers

Which of these personal barriers puts risk in your business?

- Fear of failure (can't afford the personal risk)
- Fear of losing money
- Fear of having to make all own decisions
- Fear of competition
- Fear of change
- Fear of commitment
- Loss of self-esteem
- Embarrassment before family, friends
- Lack of knowledge/experience
- No money
- No idea what business you'd like to start
- No time: current obligations are overwhelming
- "In my heart of hearts I just don't think I can do it"
- "Everybody else will think I can do it"

Other individual barriers:

- _____
- _____
- _____

From: Bareham, Steve. Don't Get Caught in Risky Business. McGraw Hill Ryerson, Toronto. 1999. p. 62.

Action Plan Checklist (Page 1)

Action to Be Taken	Estimated Date of Completion	Actual Date of Completion	Comments
Preliminary research on business idea			
Feedback on business idea from family and friends			
Feedback from partners (if applicable)			
Adequate work and/or storage space secured			
Licensing and/or zoning regulations confirmed			
Advice from small business counselors			
Advice from professionals (legal, financing, etc.)			
Legal form of business structure determined			
Market survey completed			
Personal financial commitment to business finalized			
Market segment goals determined			
Market share goals determined			
Cash flow projections completed			
Operating forecasts completed for Year One			
Personal Financial statement prepared (Net Worth)			

Action Plan Checklist (Page 2)

Action to Be Taken	Estimated Date of Completion	Actual Date of Completion	Comments
Detailed business plan completed			
Sources of financing identified			
Appropriate financing arrangements completed			
Necessary equipment and/or machinery secured			
Fixtures, furnishings, and office supplies ordered			
Permits and licenses obtained			
Company logo, business cards, and stationary designed and printed			
Insurance Protection arranged			
Telephone Systems determined			
Bookkeeping and accounting systems established			
Business bank account established			
Employees hired and trained			
Signs and advertising completed			
Inventory priced, marked and placed			
Review of business plan			

Action Plan Checklist (Page3)

Action to Be Taken	Estimated Date of Completion	Actual Date of Completion	Comments
Work schedule established			
Candid assessment of administrative effectiveness			
Actual sales measured against projections after one week			
Actual sales measured against projections after one month			
Actual sales measured against projections after three months			
Actual sales measured against projections after six months			
Actual cash flow measured against projections after one month			
Actual cash flow measured against projections after three months			
Actual cash flow measured against projections after six months			
Customer satisfaction survey completed at end of first month of business			

Action Plan Checklist (Page 4)

Action to Be Taken	Estimated Date of Completion	Actual Date of Completion	Comments
Review of business plan – any modifications necessary are made as required			
Modifications to decisions made by management, if required			

From: Gray, Douglas A. & Diana L. Home Inc. McGraw Hil Ryerson, Toronto, 1994

Assessing Your Needs

A. PLANS

➤ Do you need help with your business plan? No _____ Yes _____

If yes, what kind of help do you need?

How to prepare it?

Information?

If yes, see Section B

➤ Do you need help with your marketing plan? No _____ Yes _____

If so what kind of help do you need?

How to prepare it?

Information?

If yes, see Section B

B. WHAT DO YOU NEED INFORMATION ON?

Planning No _____ Yes _____ Explain _____

Administration No _____ Yes _____ Explain _____

Finance No _____ Yes _____ Explain _____

Human resources No _____ Yes _____ Explain _____

Management No _____ Yes _____ Explain _____

Marketing No _____ Yes _____ Explain _____

Existing clients No _____ Yes _____ Explain _____

Potential clients No _____ Yes _____ Explain _____

Competitors No _____ Yes _____ Explain _____

Other No _____ Yes _____ Explain _____

1 of 5

C. WHAT THINGS DO YOU NEED?

1. Which things will you need to use in the operation of your business:

- Equipment: Computer
Specifications _____
- Office Machines
Specifications _____
- Storage/materials
Specifications _____
- Manufacturing
Specifications _____
- Furniture
Specifications _____
- Other: _____
Specifications _____

- How long will you need these things?
- Less than 1 week _____
 - More than 1 week, less than 1 month _____
 - More than 1 month, less than 1 year _____
 - Indefinite _____
- How much will you pay for the use of these things?
- No compensation _____
 - Minimal compensation _____
 - Market rate _____
 - Exchange of goods / services _____

2. Things to sell to your customers / clients:

Specifications _____

Specifications _____

○ How much will you pay for these things?

- No compensation _____
- Minimal compensation _____
- Market rate _____
- Exchange of goods / services _____

Further clarification or unique requirements: _____

D. DO YOU NEED SERVICES? No _____ Yes _____

if Yes, what kind?

E. DO YOU NEED PEOPLE WITH SKILLS/ABILITIES IN:

- Administration No _____ Yes _____ How many? _____
- Human resources No _____ Yes _____ How Many? _____
- Management No _____ Yes _____ How Many? _____
- Marketing No _____ Yes _____ How Many? _____
- Planning No _____ Yes _____ How Many? _____
- Client service No _____ Yes _____ How Many? _____
- Other No _____ Yes _____ How Many? _____

1. When do you need these people?

- Immediately _____

- Within the next month _____
- Within the next 6 months _____

2. How long will you need these people?

- Less than 1 week _____
- More than 1 week, less than 1 month _____
- More than 1 month, less than 1 year _____
- Indefinite _____

3. Will these people be employees? No _____ Yes _____

If yes, how much will you pay them? _____

Do you have workspace / equipment for them? No _____ Yes _____

If not, what do you need? (list details in Section C)

If no, how will you compensate them?

No compensation _____

Minimal compensation _____

Market rate _____

Exchange goods / services _____

4. Will these people be subcontractors? No _____ Yes _____

How will you compensate them?

No compensation _____

Minimal compensation _____

Market rate _____

Exchange goods / services _____

5. Will you enter into a joint venture with them?

What are your rights and responsibilities? _____

What are their rights and responsibilities? _____

Further clarification or unique requirements? _____

From: Easto, Larry. Networking Is More Than Doing Lunch. McGraw Hill Ryerson. Toronto. 1999. pp 12-14.

Outline of A Strategic Business Plan

1. Executive Summary
2. The Company Overview
 - a) company name and legal structure
 - b) name(s) of principals
 - c) type(s) of business: service, retail, wholesale
 - d) geographic location(s)
3. Niche
 - a) company products and/or services
 - b) rationale for need for products and /or services
 - c) summary of company position
4. Industry, Geographic and Population Analysis
 - a) industry and geographic are outlook and growth potential
 - b) new developments: demographics and economic trends
 - c) size of total market
 - d) sales revenue projections
 - e) market share trends / projections: one-year, five-year, ten-year forecasts
 - f) technological trends
 - g) psychographics: changing needs of society / clients
 - h) buying patterns: why buy, when buy, expectations, income
 - i) risk evaluation
 - j) regulatory considerations
 - k) sources of research information
5. Strategic Planning components
 - a) company:
 - Vision
 - Purpose
 - Values
 - Strategic directions
 - Operational plans
 - b) competitive advantages: evaluate **Strengths, Weaknesses, Opportunities and Threats (SWOT analysis)** and do an “environmental scan” for external, influential **PESTS: Political, Economic, Social, and Technological** forces and trends
 - c) assessment of competition: do another **SWOT** analysis and environmental scan
 - d) management / business experience and talents: do another **SWOT** analysis.

6. Operations
 - a) physical plant (facilities)
 - b) staffing needs, current and projected
 - c) personal knowledge, skills and experience
 - d) suppliers
 - e) service policies: credit /collections, guarantees / warranties
 - f) costing, mark-ups, margins, break-even
 - g) quality control procedures
 - h) inventory management
 - i) shrinkage
 - j) health, safety and environment considerations
 - k) information systems
 - l) research and development (R&D)

- 6a. Description of management team:
 - Organizational chart
 - Curriculum vitae
 - Management compensation

7. Marketing and Sales Strategies
 - a) overview of marketing plan
 - b) marketing vehicles and strategies
 - c) competitive advantage: differentiation strategies
 - d) sales: strategies, tools, support, approach
 - e) advertising and promotion options
 - f) tracking and evaluation
 - g) patents, trademarks, copyrights

8. Finance
 - a) income statement
 - b) cash flow
 - c) balance sheet
 - d) break-even analysis
 - e) percentage return on investment
 - f) financial overview: collateral, investors, inventory, capital, real estate, equity
 - g) business loan being sought: term, line of credit, mortgage,
 - h) summary of proposed use of funds

- 8a. Financial condition synopsis
 - a) owners' equity
 - b) cash position
 - c) outstanding financial commitments
 - d) breakdown of current expenses by category
 - e) owner's grasp of financial concepts

9. Risks and problems faced by business and plans for coping
 - Worst case scenarios
 - Avoidance of risk
 - Impact of risk

10. Supporting professional assistance
 - a) Lawyer
 - b) Banker
 - c) Insurance agent
 - d) Marketing specialist
 - e) Other consultants

11. Appendices
 - a) bank
 - b) insurance
 - c) legal agreements
 - d) promotional materials
 - e) testimonial materials

From: Bareham, Steve. Don't Get Caught In Risky Business. McGraw Hill Ryerson. Toronto. 1999. pp. 101-103

Business Plan Format

- I. EXECUTIVE SUMMARY
- II. BACKGROUND
- III. ORGANIZATION AND MANAGEMENT
- IV. OPERATIONS
 - a) Facilities
 - b) Product
 - c) Services
- V. MARKETING
 - a) Product/Service Lines – current and future
 - b) Sales Projections
 - c) Marketplace
 - d) Strategy
- VI. FINANCIAL DATA
 - a) Financial Results
 - b) Assumptions
 - c) Financial Statements – Proforma
(Balance Sheet–Profit & Loss–Cash Flow–Source & Application of Funds)

From: Lunny, Don. Steps to Starting and Running a Successful Business in Canada. Productive Publications. Toronto. 1994. pp. 89-90.

CHECKLIST

Who are my Customers?

DEOGRAPHICS

Age Groups:

- 1 to 10
- 11 to 20
- 21 to 30
- 31 to 40
- 41 to 50
- 51 +

Sex:

- Male
- Female

Yearly Income:

- \$0 to \$20,999
- \$21,000 to \$44,999
- \$45,000 to \$59,999
- \$60,000 to \$84,999
- \$85,000 to \$99,999
- \$100,000 +

Education:

- Some high school
- High school

Occupation:

- Professionals
- Technicians
- Educators
- Retirees
- Managers
- Trades people
- Self-employed
- Students
- Unemployed
- Other _____

Marital Status:

- Married
- Single
- Common-law
- Divorced / Separated

USER CHARACTERISTICS:

Purchaser occasion:

Benefits sought:

- Quality
- Service
- Economy
- Convenience
- Prestige

Notes:

From: Schincariol, David. Start and Run a Profitable Student Run Business. Self Counsel Press. Vancouver. 1995. p.54.

CHECKLIST

Where are my customers?

General geographic location:

Specific location:

___ City ___ Town ___ Suburbs ___ High-rises ___ Other

Where would I be most likely to meet my customers on a regular basis?

How do customers shop for my product or service?

Notes:

From: Schincariol, David. Start and Run a Profitable Student Run Business. Self Counsel Press. Vancouver. 1995. p.55.

CHECKLIST

Things to Consider In Marketing Successfully

1. Who is going to buy your product or Service?

2. Where will they go to get it or where do you have to go to get it to them?

3. When will they want to buy your product or service?

4. How much will they pay?

5. How much will they buy?

6. How will you sell or produce your product or service?

7. How much profit do you expect from potential market areas and when?

From: Schincariol, David. Start and Run a Profitable Student Run Business. Self Counsel Press. Vancouver. 1995. p.56.

Checklist

Creative Sources of Financing or Money Saving

<u>Sources of Financing</u>	<u>Possible Source</u>	<u>Need Further Info</u>	<u>Further Info Obtained</u>
1. Modifying Personal Lifestyles			
• Reducing personal long-distance telephone calls	_____	_____	_____
• Minimizing entertainment expenses	_____	_____	_____
• Minimizing transportation costs	_____	_____	_____
• Cutting down on tobacco and alcohol	_____	_____	_____
• Reducing number of meals out	_____	_____	_____
• Converting your holidays into part business trips	_____	_____	_____
2. Using Personal Assets			
• Re-mortgaging your home	_____	_____	_____
• Selling personal assets to the business	_____	_____	_____
• Using credit cards to conserve cash	_____	_____	_____
• Using personal line of credit	_____	_____	_____
• Reducing premiums by reassessing Insurance policy	_____	_____	_____
• Using funds in personal bank accounts	_____	_____	_____
• Renting out part of your home or garage	_____	_____	_____
• Selling stock and bonds	_____	_____	_____
• Cashing in pension plans (e.g., RRSPs)	_____	_____	_____
• Selling unnecessary personal Possessions (e.g., second car)	_____	_____	_____
3. Using Potential Private Investors Known to You			
• Previous employers	_____	_____	_____
• Previous coworkers	_____	_____	_____
• Friends and neighbours	_____	_____	_____
• Lawyer, accountant, stockbroker	_____	_____	_____
4. Family Assistance			
• Loans from Relatives	_____	_____	_____
• Loans from immediate family members	_____	_____	_____
• Equity financing from relatives	_____	_____	_____
• Equity financing from immediate Family members	_____	_____	_____
• Employing family members	_____	_____	_____
5. Using Customers' Funds			
• Having a "cash only" policy	_____	_____	_____
• Invoicing on an interim basis	_____	_____	_____

- Asking for advance payments or deposits _____
- Providing discounts for prompt payments _____
- Charging purchases on customers' credit card accounts _____
- Getting signed purchase orders or contracts (collateral for bank) _____
- Third-party billing of long-distance phone calls to customer's account _____
- 6. Using Suppliers' Funds**
- Supplier loans _____
- Establishing credit accounts with suppliers _____
- Buying goods on consignment _____
- Equipment loans from the manufacturer _____
- Instalment financing _____
- Conditional sales agreement _____
- Co-op advertising _____
- 7. Leasing**
- Selling your assets and leasing them back through a commercial leasing company _____
- Leasing assets rather than purchasing _____
- 8. Volume Discounts**
- Buying groups _____
- Agency discounts _____
- Co-op advertising _____
- Group rates on insurance _____
- 9. Other Creative Financing Techniques**
- Advance royalty deals _____
- Licensing your product or service _____
- Franchise financing _____
- Franchising your business _____
- Bartering (exchanging service/product for service/product) _____
- Assigning exclusive rights to Copyright or patent etc. _____

From: Gray, Douglas A. and Diana L. Home Inc. McGraw Hill Ryerson, Toronto. 1994

Princeton Checklist For Evaluating Ideas

Princeton Creative Research has developed an excellent criteria checklist for evaluating ideas that is particularly well suited to the entrepreneur. Ask yourself the following questions when evaluating an idea for a business or a product.

- Have you considered all the advantages or benefits of the idea? Is there a real need for it?
- Have you pinpointed the exact problems or difficulties your idea is expected to solve?
- Is your idea an original, new concept, or is it a new combination or adaptation?
- What immediate or short-range gains or results can be anticipated? Are the projected returns adequate? Are the risk factors acceptable?
- What long-range benefits can be anticipated?
- Have you checked the idea for faults or limitations?
- Are there any problems the idea might create? What are the changes involved?
- How simple or complex will the idea's execution or implementation be?
- Could you work out several variations of the idea? Could you offer alternative ideas?
- Does your idea have a natural sales appeal? Is the market ready for it?
- What, if anything, is your competition doing in this area? Can your company be competitive?
- Have you considered the possibility of user resistance or difficulties?
- Does your idea fill a real need, or does the need have to be created through promotional and advertising efforts?
- How soon could the idea be put into operation?

As you can see by the examples mentioned above, there are many methods available with which to evaluate your idea. You should pick and choose the criteria that best suit your needs, depending on the type of company and/or the type of product you seek to evaluate.

From: Guide to Starting Your Own Business #1811. Entrepreneur Media Inc. Irvine, Ca. 1998. Page 213.

Manufacturer's Site Planning Checklist

When planning the layout of your manufacturing site, you want to be able to get raw material into the plant and move it through the manufacturing process as efficiently as possible. With this in mind, ask yourself the following questions:

- Is your receiving area in a location with easy access to large trucks?
- Is there suitable equipment on hand in the receiving area to unload incoming shipments efficiently?
- Do you have enough space to adequately warehouse your inventory of raw materials?
- Are your raw materials properly labelled in the warehouse area of the first station used in the manufacturing process?
- Is there enough space on the manufacturing floor for the necessary equipment so the product can be taken through each step without having to backtrack to other stations on the floor?
- Have you analyzed each station in the manufacturing process to assure equipment is arranged in the most efficient manner?
- Are you maximizing the potential of each station in the manufacturing process by having as many tasks as possible performed in that area without creating a bottleneck?
- Is your finished product warehouse area located in close proximity to the last station in the manufacturing process?
- Are there proper storage materials and equipment such as floor racks, slip-sheets, and pallets to handle the finished product?
- Is there appropriate materials-handling equipment to move the finished product into storage and out once it is ready to ship?
- Is your shipping area in close proximity to the warehouse area for the finished product?
- Is your shipping area easily accessible to large trucks?

From: [Guide to Starting Your own Business #1811](#), Entrepreneur Media Inc. Irvine, Ca. 1998. Page 213

Business Evaluation Checklist

If you find a business that you would like to buy, you will need to consider a number of points before you decide whether to purchase it. Take a good, close look at the business and answer the following questions. They will help you determine whether the business is a sound investment.

- Why does the current owner want to sell the business?
- Does the business have potential for future growth, or will its sales decline?
- If the business is in decline, can you save it and make it successful?
- Is the business in sound financial condition? Have you seen audited year end financial statements for the business? Have you reviewed the most recent statements? Have you reviewed the tax returns for the last five years?
- Have you seen copies of all of the business's current contracts?
- Is the business now, or has it ever been, under investigations by any governmental agency? If so, what is the status of any current investigation? What were the results of any past investigation?
- Is the business currently involved in a lawsuit, or has it ever been involved in one? If so, what is the status or result?
- Does the business have any debts or liens against it? If so, what are they for and in what amounts?
- What percentages of the business's accounts are past due? How much does the business write off each year for bad debts?
- How many customers does the business serve on a regular basis?
- Who makes up the market for this business? Where are your customers located? (Do they all come from your community, from across the province, or are they spread across the globe?)
- Does the amount of business vary from season to season?
- Does any single customer account for a large portion of the sales volume? If so, would the business be able to survive without the customer? (The larger customer base is, the more easily you will be able to survive the loss of any customers. If, on the other hand, you exist mainly to serve a single client, the loss of that client could finish your business.)
- How does the business market its products or services? Does its competition use the same methods? If not, what methods does the competition use? How successful are they?

Business Evaluation Checklist continued

- Does the business have exclusive rights to market any particular products or services? If so, how has it obtained this exclusively? Is it making the best possible use of this exclusivity? Do you have written proof that the current business owner can transfer this exclusivity to you?
- Does the business hold patents for any of its products? Which ones? What percentage of gross sales do they represent? Would the sale of the business include the sale of any patents?
- Are the business's supplies, merchandise and other materials available from several suppliers, or are there only a handful who can meet your needs? If you lost the business's current supplier, what impact would that loss have on your business? Would you be able to find substitute goods of the appropriate quality and price?
- Are any of the business's products in danger of becoming obsolete or of going out of style? Is this a "fad" business?
- What is the business's market share?
- What competition does the business face? How can the business compete successfully? Have the business's competitors changed recently? Have any of them gone out of business, for instance?
- Does the business have all the equipment you think is necessary? Will you need to add or up date any equipment?
- What is the business's current inventory worth? Will you be able to use any of this inventory, or is it inconsistent with your intended product line?
- How many employees does the business have? What positions do they hold?
- Does the business pay its employees high wages, or are the wages average or low?
- Does the business experience high employee turnover? If so, why?
- What benefits does the business offer its employees?
- How long have the company's top managers been with the company?
- Will the change of ownership cause any changes in personnel?
- What employees are the most important to the company?
- Do any of the business's employees belong to any unions?

From: Guide to Starting Your Own Business #1811. Entrepreneur Media Inc. Irvine, Ca. 1998. p. 36, 37.

2 of 2

2. For Your Information

In this section of the Teaching Tools portion of the *Taking Care of Business Handbook* we provide additional pieces of information that will assist you in delivering an entrepreneurship component in your core areas of study.

This section provides various facts presented in easy to understand ways – use them as overheads, as handouts for your students or to provide additional information for your own use while preparing lessons.

Taking Care of Business – Risk or Opportunity?

RISK or OPPORTUNITY?

Only 1 in 7 of those businesses that "disappear" actually "fail"

Of those who actually failed:

- ❖ **53% became owners of another business**
- ❖ **73.2% said they plan to start a business in the future**

WHAT ARE SOME OF THE REASONS BUSINESSES DISAPPEAR?

- ❖ Sold the idea to another person or company
- ❖ Retired and closed the doors
- ❖ Found a better idea for a business
- ❖ Invented a different type of product
- ❖ Moved the business to another province or country
- ❖ Preferred to work for someone else instead
- ❖ Actually failed/went bankrupt
- ❖ The market for this type of business disappeared or became too competitive
- ❖ Owner died or became disabled

Remember.....NOT ALL CHANGE MEANS *FAILURE*

**IF YOU MISS AN OPPORTUNITY.... . IT MIGHT EVEN
BE A BIGGER FAILURE!**

WORDS TO SELL YOURSELF

Use the list of action words below when selling yourself and your product or service. Using action words helps you pinpoint what you can do as well as helping you appear confident.

- advise
- analyze
- arrange
- assemble
- assist
- buy
- calculate
- care for
- categorize
- code
- collect
- communicate
- complete
- compute
- conduct
- construct
- contact
- contribute
- copy
- create
- deal with
- define
- demonstrate
- design
- develop
- devise
- edit
- encourage
- establish
- estimate
- expand
- facilitate
- generate
- handle
- identify
- illustrate
- implement
- increase
- initiate
- instruct
- interpret
- invent
- locate
- maintain
- manage
- measure
- modify
- motivate
- negotiate
- operate
- order
- organize
- outline
- perform
- plan
- prepare
- produce
- promote
- publicize
- recommend
- record
- regulate
- reorganize
- repair
- research
- revise
- select
- sell
- simply
- succeed
- summarize
- supervise
- synthesize
- teach
- test
- train
- tutor
- unite
- upgrade
- verify
- write

SAMPLE BUSINESS PLAN FORMAT

Note: Modify as appropriate for your needs. Not all sections will be necessarily applicable to you at this time or at all.

Introductory Page

- Company name (including address and phone number)
- Contact person (presenter's name and phone number)
- Paragraph about company (nature of business and market area)
- Securities offered to investors (if applicable)(preferred shares, common shares, debentures, etc.)
- Business loans, sought (if applicable)(term loan, operating line of credit)

Summary

- Highlights of Business Plan (your project, competitiveness advantage, and “bottom line” in a nutshell – preferably one page maximum in length)

Table Of Contents

- Section titles and page numbers (for easy reference)

PART 1: BUSINESS CONCEPT

Description of the Industry

- Industry outlook and growth potential (industry trends, new products and developments) (State your sources of information)
- Market and customers (size of total market, new requirements, and market trends)
- Competitive companies (market share, strengths and weaknesses, profitability)
- National and economic trends(population shifts, consumer trends, relevant economic indicators)

Description of Business Venture

- Product(s) or service (pictures, drawings, characteristics, quality)
- Product protection/exclusive rights (patents, copyrights, trademarks, industrial design, franchise rights)
- Target market (typical customers identified by group; present buying pattern and average purchase in dollars; wants and needs)
- Competitive advantage of your business concept (market niche, uniqueness, estimated market share)
- Business location and size (location(s) relative to market, size of premises)
- Staff and equipment needed (overall requirement, capacity)
- Brief history (principals involved, development work done)

Business Goals

- **One year** (specific goals, such as gross sales, profit margins, share of market; moving out of home and opening new store, plant, or office; introducing new product; etc.)
- **Over the longer term** (return on investment, business net worth, sale of business)

Marketing Plan

- **Sales strategy** (commissioned sales staff, agents, pieceworkers, independent contractors, sales objectives, target customers, sales tools, sales support)
- **Distribution** (direct to public, wholesales, retail, multiple outlets)
- **Pricing** (costing, mark up, margins, break-even)
- **Promotion** (media advertising, promotions, publicity, ---appropriate to reach target market)
- **Guarantees** (product guarantees, service warranties)
- **Tracking methods** (method for confirming who your customers are and how they heard about you)

Sales Forecast

- **Assumptions** (state all the assumptions made in developing the forecast in a way the reader will understand)
- **Monthly forecast for coming year** (sales volume in units and dollars)
- **Annual forecast for next two to four years** (sales volume in dollars)

Note: The sales forecast is the starting point for your project income statement and cash flow forecast in Part II.

Production Plan (Manufacturing)

- **Brief description of production process** (Don't be too technical)
- **Physical plant requirements** (building, utility requirements, expansion capability, layout)
- **Machinery and equipment** (new or used, lease or purchase, capacity)
- **Raw materials** (readily available, quality, sources)
- **Inventory requirements** (seasonal levels, turnover rates, methods of control)
- **Suppliers** (volume discounts, multiple sources)
- **Personnel required** (full-time, part-time, skill level, availability, training required)
- **Cost of facilities, equipment, and materials** (estimates and quotations)
- **Capital estimates** (one-time, startup or expansion)

Production Plan (Retail or Service)

- **Purchasing plans** (volume discounts, multiple sources, quality, price)
- **Inventory system** (seasonal variation, turnover rates, method of control)

- Space requirements (floor and office space, improvement required, expansion capability)
- Staff and equipment required (personnel by skill level, fixtures, office equipment)

Corporate Structure

- Legal form (proprietorship, partnership, corporation)
- Share distribution (list of principal shareholders)
- List of contracts and agreements in force (management contracts, shareholder or partnership agreement, franchise service agreement, service contract)
- Directors and officers (names and addresses and role in community)
- Background of key management personnel (brief resumes of active owners and key employees)
- Contract professionals/consultants (outside assistance in specialized areas)
- Duties and responsibilities of key personnel (brief job descriptions --- who is responsible for what)

Risk Assessment

- Competitors' reaction (Will competition try to squeeze you out?)
- "What if" list of critical external factors (anticipated effects of strikes, recession, new technology, weather, new competition, supplier problems, shifts in consumer demand)
- "What if" list for critical internal factors (effects if sales off by 30%, sales double, key manager quits, workers quit)
- Dealing with risks (contingency plans to handle the most significant risks)

Action Plan

- Steps to accomplish this year's goals (flow chart by month or for specific action to be taken and by whom)
- Checkpoints for measuring results (identify significant dates, sales levels, production levels as decision points)

PART II: FINANCIAL PLAN

Financial Statements

- Previous years' balance sheets and income statements (include past two to three years if applicable)

Financial Forecasts

- Opening balance sheet (for a new business only)
- Projected income statements (detailed operating forecast for next year of operation and less detailed forecast for following two years-Use sales forecast as starting point)
- Cash flow forecast (budget of cash inflow and outflow on a monthly basis for next year of operation)

Financing and Capitalization

- Term loan applied for (amount, terms, when required)
- Purpose of term loan (Attach detailed description of assets to be financed with cost quotations)
- Owners' equity (your level of commitment to the financing aspect)
- Summary of term loan requirements (for a particular project or for a business as a whole)

17 Strategies to Predict and Prevent Disaster

Predict the disaster ...

Not enough demand for your service

No one wants to pay your price

Revenue flow won't sustain business for the first year

The competition is killing you.

Your idea is too strange to work.

You know nothing about this new venture.

You don't have the money for expansion.

You don't have time for more work and could end up overstressed and burnt out.

The competition has more money.

There is too much competition.

Now Prevent it...

Create a research plan designed to product accurately determine likely customer response.

Complete your research into your customers' expectations and perceptions of your idea.

Don't launch until you have enough money to get you through this very tough, first year.

You must be sure, based on research, that your quality, service or price is significantly better.

Let real future customers, through research, determine its merits.

Plan an in-depth course to acquire the knowledge you need before you launch.

Grow your business slowly. Borrow money only as a last resort.

If you truly want to do this, don't let anyone discourage you. Reorganize your commitments to allow you to get through the first-year crunch.

Keep your overhead low, and make your newness and smallness work for you.

Research this potential problem very carefully. You need something different and better to survive.

Technology will overtake your idea.

Understand fully how technology impacts on your business idea. Can you stay current with developments, or even get ahead of your competition?

The new idea won't make money for years.

Devise ways to survive the no-profit startup period.

Suppliers could raise prices or be late delivering

Don't rely on too few suppliers; let them know you're price range.

Revenue may be only a fraction of projections.

Expect slow sales, and plan how you will survive if it takes longer to generate the revenue than projected.

Overhead will get away on you.

Evaluate each potential expenditure to see if your business absolutely needs it to survive or if it will boost profits. If "no," don't spend the money.

Mass-marketing is too expensive

Test promotion and advertising strategies on real customers, and aim your ad dollars carefully.

The economy is going into recession.

Keep overhead low and ensure you are the best product or service provider in your market. The best are always the last standing.

Becoming Successful!
Taking Your Home-Based Business to a New Level.

Decide what you are willing to give up and plan out how you are going to make your business successful – then it will happen! Hunt (from Hunt's Ketchup) at age thirty-five was flat broke. At the age of forty-two he had built his empire and was a multi-millionaire. When asked how he accomplished such a feat, he responded: "There are four basic steps to being successful. If you follow these steps he said, "You can't help but become successful!"

Hunt's Four Steps To Success!

- 1) **Decide what you want.**
- 2) **Decide what you are willing to give up for its achievement.**
- 3) **Develop a Plan for its achievement.**
- 4) **Work the Plan!**

This may be in it's simplest form but this is how he and many others have succeeded! You have to start with a plan and as you are working the plan realize that you will encounter obstacles, accepting full responsibility for everything that happens on your journey towards the achievement of your goals and dreams.

You and only you can determine the outcome!

Let's Make A Deal

Short on Cash?

Try these alternatives for financing your purchase of an existing business:

- **Use the seller's assets.** As soon as you buy the business, you'll own the assets – so why not use them to get financing now? Make a list of all the assets you're buying (along with any attached liabilities), and use it to approach banks, finance companies and factors (companies that buy your accounts receivables).

Some investors will lend money based on purchase orders. Factors,

Finance companies and banks will lend money on receivables. Finance

companies and banks will lend money on inventory. Equipment can also

be sold, then leased back from equipment leasing companies.

- **Buy Co-op.** If you can afford the business yourself, try going co-op –buying with someone else, that is. To find a likely co-op buyer, ask the seller for a list of people who were interested in the business but didn't have enough money to buy. (Be sure to have your lawyer write up a partnership agreement, including a

Know Your Stuff

Just as you wouldn't start a business without planning, you shouldn't approach a venture capitalist without preparation. Before investing in your company, venture capitalists will ask some tough questions about your management experience, your plans for the company... and your plans for their money. Before meeting with potential investors, be sure you can answer these questions:

- Why did you start your company?
- Where did you see your company going?
- What problems do you see your company encountering?
- What do you see as the company's main market?
- How do you plan to capitalize on those markets?
- Who is your competition?
- How do you plan to handle your competition?
- What have you invest in your company?
- How did you arrive at your financial projections?
- When do you expect to meet the projections?
- What type of financial controls do you have to prevent disorganization or embezzling, to handle accounts receivable and payable, to ensure adequate inventory (dual signature, check control, purchase orders, etc)
- Who does your accounting?
- Who does your marketing and advertising?
- What is your company's short- and long-term business plan? Where do you see the company going in five years? In 10 years?
- What are your criteria for site selection?
- Who is your customer?
- How many employees do you have? What do they do?
- What additional personnel do you fee will need to be hired and when?
- What is your overhead?
- Who are your suppliers?
- Do you have long-term contracts with suppliers?
- How does the company plan to use the funds from our firm?
- When do you think your company will next need financing, and how much?
- What is your company's "system"? How does it differ from your competitors'?
- How do you view the role of the board of directors in relationship to the company's management?
- Describe your employee benefit plans.
- Who is in charge of research and development?
- How is research and development conducted?
- What is the seasonality of the company's business?
- What type of growth have you seen in your industry?

Is your Business A Rewarding Place to Work?

Check your business for these features of a positive work environment:

A Well-defined culture with leadership and direction

- Define what distinguishes your company in the market
- Ensure employees support a common direction, philosophy and strategy
- Create programs that support the culture of the organization
- Attract employees who are compatible with the organizational culture and work environment

Employee ownership, decision-making and flexibility

- Share the vision, mission and strategies of the business with employees
- Include employees in decision-making (e.g., a flat rather than hierarchical structure)
- Allow employees to have significant autonomy and control over work
- Allow employees to own part of the business

A motivating, supportive and trusting environment

- Ensure supervisors act as coaches and are supportive
- Enable employees to develop interpersonal skills (such as conflict resolution)
- Use teams, quality circles and other feedback loops where possible
- Recognize and reward employee contribution
- Ensure that employees have access to resources for personal problems

A healthy, safe and comfortable workplace

- Provide a safe and healthy workplace
- Provide people-friendly facilities
- Ensure workspace is ergonomically sound
- Provide a clean, comfortable environment

Is your Business A Rewarding Place to Work? (continued)

Work and personal life in balance

- ❑ Allow flexible hours and vacations
- ❑ Consider setting up telecommuting options
- ❑ Consider alternative working arrangements (e.g., part-time, modified workweeks)
- ❑ Allow employees some discretion over timing of overtime

Regular and open communication

- ❑ Continually share information and knowledge with all employees
- ❑ Integrate communication modes and methods (e.g., computers, meetings, etc.)
- ❑ Consider regular employee meetings or a bulletin board to update employees
- ❑ Encourage regular feedback between employees and managers
- ❑ Provide an outlet for employee concerns

Principles of Selling

Every entrepreneur has to be able to sell his or her product or service. The following Principles of Selling were used by William C. Durant of General Motors and can be applied to any product or service.

- ✓ Make a good personal impression when selling your product or service. Prepare yourself physically. Be neat and clean.
- ✓ View selling as teaching – it's your chance to teach the customer about the product or service. Explain the benefits of your product or service to your customers.
- ✓ Believe in your product or service. Good salespeople believe in what they are selling.
- ✓ Know your product or service. Understand how its features can benefit the consumer.
- ✓ Know your field. Read the trade literature. Learn about your competitors.
- ✓ Know your customers. What are their needs? How does your product or service address these needs?
- ✓ Prepare your sales presentation in advance. Know ahead of time how you want to present your product or service.
- ✓ Think positively. This frame of mind will help you deal with the rejection you may experience before you actually are able to sell your product or service.
- ✓ Keep good records. Have your record keeping system, including invoices and receipts, established before you go on your first sales call.
- ✓ Make an appointment. People are more likely to listen when they have set aside time to hear your sales pitch. They will be less patient if you interrupt their day, especially unannounced.
- ✓ Stay in touch with your customers as well as potential customers. Cultivate your customers for repeat sales. Build relationships.

Satisfying a Customer Need

What could you sell that consumers you can reach would want to buy? To be successful you need a clear vision of what those consumers need.

Five ways to satisfy a consumer need:

- **Develop a new product or service.**
- **Uncover new resources or technologies.**
- **Apply existing resources or technologies in new ways.**
- **Find new markets for an existing product or service.**
- **Improve an existing business.**

Filling a consumer need generates revenue or money from sales.

Business Promotion Idea List

While this list is not exhaustive it may give you some ideas about promoting your business or simply spark your imagination to develop your own unique ways to promote your business.

Advertising:

- ❖ **In the classified advertising section of your community newspaper.**
- ❖ **In the yellow pages.**
- ❖ **On a grocery buggy.**
- ❖ **On radio or television.**
- ❖ **On billboards, bus shelters and benches.**
- ❖ **On sporting event and/or recreational event programs.**
- ❖ **Explore cross promotions with a non-competing company that also sells into your target market.**
- ❖ **Sponsor a local sports team.**
- ❖ **Sponsor an event designed to help a local charity.**
- ❖ **Sponsor a cultural event for a local organization.**

Talk to your customers:

- ❖ **On the telephone.**
- ❖ **In person.**
- ❖ **Using e-mail.**

Volunteer:

- ❖ **Be a guest speaker at seminars and workshops on your particular area of expertise.**
- ❖ **Participate as a guest in radio talk shows or local television programs.**
- ❖ **Provide public tours of your business.**

Develop Promotional Materials:

- ❖ **Design a brochure that explains the benefits of your product or service.**

- ❖ **Create professional letterhead and business cards.**
- ❖ **Build and maintain a customer mailing list that might include their personal preferences as they relate to your product or service.**
- ❖ **Send your customers a birthday greeting, Christmas card.**
- ❖ **Write a thank you letter to your customers.**
- ❖ **Design and distribute a newsletter or an industry update announcement.**
- ❖ **Design and distribute company calendars, mugs, pens, note pads, or other specialities which display your company name and logo.**
- ❖ **Design and distribute a free “how to do it” hand out related to your industry (e.g. tips for conserving energy in your home)**
- ❖ **Design buttons, decals or bumper stickers or balloons with your company name, logo, or slogan.**
- ❖ **Design t-shirts for your company.**
- ❖ **Include advertising with your invoices.**
- ❖ **Place a sidewalk sign outside your business.**
- ❖ **Place flyers on bulletin boards and car windshields.**
- ❖ **Place advertising on your company vehicles.**
- ❖ **Provide free samples.**

These ideas and many more can be found at:

<http://www.sb.gov.bc.ca/smallbus/workshop/promo.html>

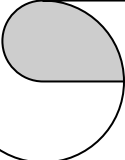


Giving a Successful Sales Presentation

Four basic considerations are involved in keeping the prospect interested in your presentation:

- 1) Make your presentation concise and to the point.
- 2) Get continuous feedback during the entire presentation.
- 3) Get involvement from the prospect.
- 4) Appeal to the prospects immediate needs.

Remember the three basics:

- 1) Create rapport with the prospect.
 - 2) Identify his need.
 - 3) Show him how your product can fill his need.
- 

Five Marketing Plan Tips:

1. How do you make money? The two key routes are gaining new customers and generating repeat sales with existing customers. Remember this when creating your marketing plan.
2. It is far easier, and cheaper, to sell your product or service to someone who wants it than to someone who doesn't. Why? As long as you can convince that first person that your product or service delivers everything they need, they are ready to buy. But, with the person who isn't interested you must first convince them that they need your product or service before you can convince them that your product or service delivers what they need – which can be a costly and time-intensive extra step.
3. One of the most important questions you can ask is how your product or service is unique. Why? In a crowded marketplace, you must offer something compellingly different to capture the attention and interest of your target market. For example, you could be the only restaurant in town to offer a midnight brunch or the only graphic designer who specializes in electronic illustrations. After all, if you are the only one offering this unique and desirable offering, then no one is competing with you.
4. The marketing strategy of turning liabilities into assets, such as capitalizing on your small business size by positioning your business as the hometown choice, is often a clever strategy for small businesses.
5. Your marketing plan can accomplish wonderful objectives for your company, but it is not an instant fix for every problem. For example, if your product or service really is of poorer quality than that of a competitor, more than likely your marketing plan by itself cannot overcome this obstacle.

IF YOU REMEMBER NOTHING ELSE REMEMBER...

- Your marketing plan helps you determine the most efficient, effective path to get from where you are to where you want to be.
- Avenues for collecting research for your marketing strategy range from reading publications to surfing the Internet, examining polls, collecting statistical company information and interacting with your target market.
- Define your product or service by asking yourself questions about your business such as, “What are my unique strengths?” and “What are the benefits of competing products or services?”
- To clearly understand your competition and how your business compares to competing businesses, ask yourself questions such as, “What are the benefits of the competitors product or service?” and “How does my sales message compare to the competition’s sales message?”

One last tip:

- The easiest way to understand your marketplace concerns and events is to carefully read your daily newspaper.

Comparison of Business Structures

Characteristic	Sole proprietorship	Partnership	Corporation
Ease and cost of set-up	Relatively simple. Generally low cost.	Moderately difficult. Typically low cost.	May be complicated and depending on your needs can be costly.
Ease and cost of dissolution	Relatively simple. Generally low cost.	Moderately difficult but low cost	Is generally more difficult and will incur some expense.
Legal Restrictions	Very few	Very few	Many
Personal liability for business debts	Owner is completely liable	Owner is liable to the extent of ownership	None unless specifically provided by the owner(s).
Availability of cash	Personal savings or loans	Personal savings, loans, or partner investment.	Generally, more avenues available to acquire capital
Tax rate and income reporting	Relatively simple.	Moderately simple.	More complex. Generally has special regulations and requires special forms.
Number of owners	One	Two or more	One or more

3. Activities

As a teacher you often have so much to teach that it may seem difficult to include entrepreneurship education in the core curriculum. It is crucial to let children know that entrepreneurship is a viable career choice. Fortunately many of the required skills are shared by other career choices your students might make and so many times entrepreneurship lessons can be integrated into the existing curriculum.

In this section of the *Taking Care of Business Handbook* we have provided a variety of activities that you can use in your classroom. These activities are divided in two sections: Elementary and Secondary.

A. Activities for Elementary Teachers

GEOGRAPHY/LANGUAGE ARTS

Have students take a walking tour of community businesses. Snap pictures of the businesses. When the pictures are developed have the children construct an entrepreneurial map on a large wall.

Students can practice oral and written communication skills by writing interview questions and conducting interviews of the entrepreneurs. The information from those interviews can be compiled in a directory of the types of goods and services, locations, and hours of the businesses.

- Discuss the locations of the businesses; is location especially helpful to any particular business?
- Discuss the signs and advertising of the businesses. Which are most attractive? Why?
- Are any businesses closed or out-of-business? See if the students can determine what happened to the business through their research efforts.

LANGUAGE ARTS

Adapt a few basic questions from a business plan and have students answer these questions for writing activities and projects. Ask each student to think of a product or service that others might be interested in buying:

- Describe your product or service.
- Who will be your audience?
- Who will buy this product or service?
- How will you make (or produce) your product or service?
- What do you need to make this product or service a success?
- With what or whom will your product or service compete?

THINKING SKILLS

Teach your students a basic evaluation tool...*PMI*. Edward DeBono's PMI is as useful for evaluating ventures as it is for evaluating writing, projects, and reports.

P = POSITIVE. What is positive or strong about your work?

M = MINUS. What is a minus or weak about your work? What needs to be changed? What needs to be stronger?

I = INTERESTING. What makes you say "Ah...I wish I had thought of that!"

Use the PMI to revise, redo, or improve the business product or service project.

DECISION-MAKING/COMMUNICATION SKILLS

Teach children to use higher order thinking by using this simple decision-making technique to solve problems and make decisions. Assign them the task of using the process for a family or school problem, such as where to eat dinner. The process can be adapted to come up with an idea for a business venture. Use graph paper or design a grid to write down the ideas for each stage.

Six Step Decision-Making Process

- State the problem
- List the alternatives
- List the criteria for evaluating the alternatives
- Evaluate the alternatives
- Make a decision

and the step usually skipped....

- Evaluate the decision.

HIGHER ORDER THINKING

Here is a reality check. Sometimes, in Canada a "POP test" is used to test for new ventures. Teach your students to use this adaptation of the test for essays and projects as well as business ventures.

- P = Is the project POSSIBLE with the resources you have?
- O = Is the project ORIGINAL, your OWN idea?
- P = Is the project your PASSION? Will you be PLEASED you did this? Can you PERSEVERE and complete the project?

LANGUAGE ARTS/IMAGING

This is a particularly useful language arts as well as a venture creation skill. Collect common and unusual objects and keep them handy. Each day, take out an object. For example, take out a film container. Hold it in your hand for everyone to see and say "I hold in my hand..." And give an unusual response. Then pass the object around for each child to give a response. For example, the film container could be a pill holder, a biscuit cutter, a holder for lunch money, etc. Children learn to see possibilities and look at common items in a new way.

LANGUAGE ARTS/RESEARCH SKILLS

Use the yellow pages for this activity. Have students look for businesses with interesting names. Have a business "scavenger hunt". Use categories for their research such as business names....

- with colorful adjectives
- with superlative forms of adjectives
- that are made up or are nonsense
- that are foreign words
- that tell what the business produces or sells
- that have alliteration (repeated beginning sounds)
- that are geographic terms
- that have nothing to do with the business's function
- that are named after people

LANGUAGE ARTS

Use the newspaper and magazines to collect articles about entrepreneurs. Have students read the article and answer such questions as:

- How did the person get the idea for the venture?
- What is the unique selling point of the good or service?
- What risks did the person take?
- Did this person have a mentor or "angel"?
- Did the person face any obstacles?
- Does this person have any competition?

LANGUAGE ARTS/SOCIAL STUDIES

Collect newspaper articles and train your class to do the same. Look for articles that talk about seasonal economic problems. Articles such as "BEACH TRAFFIC SENDS VACATIONERS RUNNING", or "HOT SUMMER DRIES UP MELON CROP" can be discussed as entrepreneurial opportunities as well as entrepreneurial obstacles.

LANGUAGE ARTS

Use the format of an old children's book, *FORTUNATELY*. Give the children a problem from science, history, the classroom, etc. then play "GOOD NEWS/BAD NEWS" to develop fluency in thought and in finding solutions.

GOOD NEWS: The settlers reached what is now Boston.

BAD NEWS: This was not their intended destination.

GOOD NEWS: The Native Americans were willing to help them.

BAD NEWS:

READING LIST

Any of the following books can be used to teach "entrepreneurship" and the "related skills" using ideas presented in the above listing of activities.

- Alexander, Lloyd. *The Fortune Tellers*. Dutton, 1992 (SELF-FULLFILLMENT)
- Anderson, Hans Christian. *The Emperor's New Clothes*. Scholastic: 1977 (ETHICS)
- Barbour, Karen. *Little Nino's Pizzeria*. Harcourt Brace: 1987 (GROWING A BUSINESS, SCARCITY, OPPORTUNITY COST, BUSINESS PLAN, BUSINESS STRUCTURES, LOCATION, DEMAND, NICHE, SERVICE)
- Carle, Eric. *Walter the Baker*. Simon and Schuster: 1995 (PROBLEM SOLVING, WORD OF MOUTH ADVERTISING AND REPUTATION, QUALITY)
- Charlip, Remy *Fortunately* MacMillan: 1987 (OVERCOMING OBSTACLES)
- Cohen, Ronni *Inventor's Portfolio* E.E.Cats, 1996 (ENTREPRENEURSHIP AND ECONOMICS)
- dePaola, Topmie *Tony's Bread* Paper Star Books, 1989 (FINDING A NICHE, COMPETITION, UNIQUE SELLING POINT)
- Dooley, Norah *Everybody Cooks Rice* First Avenue Editions: 1991 (CREATIVE PROBLEM SOLVING)
- Dunrea, Oliver *The Painter Who Loved Chickens* FSG: 1995 (INVENTION, INNOVATION, ENTREPRENEURSHIP, NICHE, DEMAND)
- Schwartz, Ellen. *Mr. Belinsky's Bagels* Talewinds:1997 (ENTREPRENEUR, PRODUCTIVE RESOURCES, DEMAND, SUPPLY, COMPETITION, ECONOMIC PROFIT, NATURAL TALENTS, NICHE, UNIQUE SELLING POINT, NAMING A BUSINESS)
- Seibold, Jotto. *Monkey Business*. Viking:1995 (DEMAND, CAPITAL GOODS, PROMOTING A PRODUCT, BARTER)
- Seuss, Dr. *Daisy-Head Mayzie*. Random House: 1994 (MARKETING, VALUES)

- Zimelman, Nathan. *How the Second Grade Class Got \$8,205.50 to Visit the Statue of Liberty*. Albert Whitman & Co.: 1992. (GOAL SETTING, CREATIVE PROBLEM SOLVING, PROFIT, LOSS, COSTS).

These ideas and many more can be found at

<http://www.entre-ed.org/elem-ed.html>

B. Activities for Secondary Teachers

Teachers are great sources of ideas for learning activities that provide experience in entrepreneurial skills...and often they don't even know they're doing so. Any teacher in the secondary schools can help students understand the opportunities in our entrepreneurial economy by incorporating entrepreneurship-related activities in their regular course of study. Such experiences may change the vision of their future for many of our youth.

As you seek to incorporate entrepreneurship in any type of course...social studies, math, language skills, science, business classes, career exploration etc., the teacher should think about the major topics of PACE (Program for Acquiring Competence in Entrepreneurship) as a framework for their entrepreneurship learning activities:

1. Your Potential As An Entrepreneur
2. Nature of Small Business
3. Business Opportunities
4. Global Markets
5. The Business Plan
6. Help for the Entrepreneur
7. Types of Ownership
8. Marketing Analysis
9. Location
10. Pricing Strategy
11. Financing the Business
12. Legal Issues
13. Business Management
14. Human Resources
15. Promotion
16. Selling

17. Record Keeping
18. Financial Analysis
19. Customer Credit
20. Risk Management
21. Operations

Be sure that your activities encourage students to think creatively...not just to determine how business operates now but in the future as well. Help them to ask questions about how businesses might be created in new and better ways, using new and different processes. Open their eyes to the entrepreneurial opportunities that are all around us.

Interdisciplinary Entrepreneurship

(The following suggestions were contributed by teachers in a brainstorming activity as part of the New Jersey School-to-Work Coordinators' Meeting, 2/17/98. You might try this with a staff of teachers in your school...dividing them up into discipline small groups and encouraging creative thinking. Then take the best ideas and implement them in the classroom).

Social Studies and Entrepreneurship

- Students set up a Small Town USA program in which they determine what types of business are needed.
- Unit on "Workplace Yesterday, Today, and Tomorrow", bring in pictures and describe, talk to parents and/or grandparents. Expand on "Workplace Yesterday, Today, and Tomorrow" and note changes in technology, communications, transportation, and skills needed. Identify the cost of products in 1900 versus cost of products in the year 2001. Explain how wages are also part of the price. Discuss a business that reflects products from time past which are still able to be sold and how to market such products.
- Map out a voyage, the ship is destroyed by a storm, and all survive on an island. What are the needs and possible results? Set up a government on the island and put together a plan for obtaining food, clothing etc. Decide who will be in charge of the various jobs on the island. Hold elections. Identify how products will be created and exchanged by the inhabitants.
- Take a field trip to see the movie "Titanic" and discuss the reasons it has been a market success.

- Envision an early American dry goods store in the West. In groups have students decide on marketing, goods available, location etc.
- Make a mini-store in class and students make products to sell.
- Write resumes for yourself as an adult. Offer job applications for students to apply for a job as a cashier, a marketer, an accountant, a manufacturer, a warehouse manager, a business consultant, a teacher, etc.

Science and Entrepreneurship

- In food science experiment with product development: Study the effect of heat/temperature on yeast products. Dissolve yeast for bread in three different temperatures. Make the bread and describe the results.
- Choose an important nutritional concept. Develop an advertising plan to sell the idea. Develop a product line of nutritional snacks and decide how to sell them. Establish and name a company that will market the nutritional snacks. Organize the company. Identify positions and careers possible.
- Students locate food ads in a magazine, mount them on index cards, and evaluate their nutritional content. Make a bulletin board display. Discuss the role of advertising in promoting nutrition.
- Do bacterial tests around school. Collect data and generate a report. Sell anti-bacterial soap or wipes for students to use before lunch, etc.
- Set up a weather station in which students take weather readings and market results in some form.
- Study crystal formation by making rock candy. Discuss how a new product might be created from crystal formations.
- Experiment with emulsions. Make salad dressing with and without emulsifier. Describe results, taste, etc. Conduct research on what emulsifiers are and how they are used in products.
- Link with NASA to identify a science activity being conducted on Mears space station or other space explorations. What will research conducted yield in terms of a business. What businesses might emerge?
- Collect flowers and plants to study. Press them and make bookmarks to be sold at the school bookfair.
- Plan a student-run service of water sampling.
- Students collect, sort, weigh materials collected from school trash for one day (paper, glass, metal etc.). Record results. Collect for a week. Describe amounts that would be accumulated over time, problems of disposal, types of businesses disposing of materials, and costs associated with trash. Describe problems of accumulation.
- Start a recycling project. Collect cans and sell to a local recycler. Analyze costs and income per pound. Structure a business format for the recycle project. Identify roles of individual class members.
- Invite business people to speak to students on science-related businesses.

Arts/Performing Arts and Entrepreneurship

- Identify entrepreneurial skills for individuals who choose the arts, such as musicians, writers, artists etc.
- Create a business selling/marketing "Practice Partners" for students proficient in some musical instrument who will serve as practice partners, giving guidance and assistance for students who are preparing for music lessons.
- Students create a "jingle" for an art show for use in a TV or radio advertisement.
- Create attractive flyers, posters or web pages for a musical event in your community.
- Use the computer art class to develop an ad that is attractively arranged. Develop a logo that would be interesting, attractive etc.
- Develop a logo for the school baseball team to promote this season's games.
- Develop Web Page designs for fellow students who are trying to set up their own page, incorporate logo, music sound wave, etc.
- Create school postcards - students photograph various school scenes/activities, and market the postcards within school and community.
- Start a "Birthday Party" entertainers unit - Students will develop entertainment activities to sell to busy mothers for children's birthday parties. Market the idea on the Internet by designing an interesting web page on birthday party ideas.
- Create a series of posters representing each department elective, to be used in recruitment of students for next year. Think of how businesses recruit, and apply the techniques.
- Develop a package design and marketing materials for a product to sell. Develop a TV commercial for your product. Create a TV or radio ad for your business using role playing, audio and videotaping.
- Music classes work with history and art classes to promote a product.

Math and Entrepreneurship

- Analyze pros and cons of a business location, charting/graphing traffic flow and interpreting it.
- Develop a survey of the market to sell a product.
- Use spread sheets (Excel) to project operating costs of a business
- Examine business space requirements according to equipment and inventory needs, and draw up a plan.
- Calculate cost per square foot of a given business plan.
- Reconcile a checking account balance for a business.
- Analyze recurrent expenditures and forecast annual costs
- Discuss how competition may affect the price of goods.
- Calculate costs of taking business into global markets.
- Project future profits given expansion data.
- Track stock market for 6 months. Project profits over next 2 months. (Percents plus dollar amounts)

Language Arts and Entrepreneurship

- Plan the selling and marketing of a given book. Discuss what should be included in the book to make it marketable. Analyze the effects of supply, demand, profit, and competition on small business. Visit local book stores to observe and analyze their marketing techniques. Develop a plan to sell the book. Write ads to promote the book.
- Write a business plan
- Have students survey the student body on topics of interest for a book club (survey on hobbies/interests). Then open the book club, selling the books that received the highest level of interest. Develop a powerpoint presentation to sell your business to potential stock holders.
- Have each student write a career plan with values and goals. How does that plan lead to being an entrepreneur?
- Discuss how to sell an ad for the school newspaper.
- Have students research a business or industry and write an informational news release for the school newspaper. Use the research for a term paper.
- Create and design a logo for a business. Research the potential clients. Present findings, both orally and in writing.
- Read the Dave Thomas books, (*Dave's Way*, or *Well Done*). Discuss the experiences and ideas presented. Also discuss people they know who are successful entrepreneurs.
- Interview some entrepreneurs in the community and share results of research in an essay, such as "Common Traits of Entrepreneurs".
- Plan a small business assistance group in the school. Develop details of services and programs to be provided.
- Have students study current ads and jingles to determine why they are successful. Discuss the ads that catch your attention and decide why they do.
- Write to the local newspaper asking that the person responsible for their ads come to the class and discuss how to write an effective ad.
- Have a mock radio program and write the commercials for it.
- Research the career opportunities in the media industries (newspapers, magazines, radio, tv, etc.)
- Select a local business and determine what language skills are needed by the owner. List qualities necessary to be an entrepreneur.
- Students prepare oral presentations on famous entrepreneurs and successful businesses.
- Explore biographical background of an entrepreneur that relates to your business goals, ideas.
- Interview and job shadow a local entrepreneur in your field of interest.
- Contact an employer who has set up his/her own business and interview the person. Report results to the class.
- Research, via the Internet, locations that would be good to set up a certain kind of business.
- Write an employee handbook.
- Have entrepreneurs talk to class about mistakes made because of poor preparation in school.

- Explore customer relations and problem solving as they relate to particular industries or businesses of student interest.
- Ask an entrepreneur to share successes and failures. Then have the students and speaker explore ways of building on the success and avoiding or remedying the failures.
- Form groups that will help to write a curriculum for younger students to gain skills in creating a business. Older students will identify what is essential and serve as mentors to the younger students.

ENTREPRENEURIAL POTENTIAL

ASSESSMENT TEST

Read the following statements carefully and CIRCLE THE NUMBERS which indicate your DEGREE OF AGREEMENT OR DISAGREEMENT with them.

	Strongly agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)
1) I am generally optimistic.	1	2	3	4	5
2) I like doing things better than other people do them.	1	2	3	4	5
3) When I solve a problem, I try to find the best solution without concerning myself too much about other possible solutions.	1	2	3	4	5
4) I like to chat with my co-workers after the workday is over.	1	2	3	4	5
5) If I bet at the races, I'd rather take a chance on a long-shot that might bring a big pay off.	1	2	3	4	5
6) I prefer to set my own objectives and work hard to reach them.	1	2	3	4	5
7) I am easy to approach and get along well with others.	1	2	3	4	5
8) I like to be well informed about what is happening and takes steps to find out.	1	2	3	4	5
9) I work better when someone guides and advises me.	1	2	3	4	5
10) When I know I'm right, I can convince others.	1	2	3	4	5
11) I often find that other people make me waste precious time.	1	2	3	4	5

	Strongly agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)
12) I like watching hockey, baseball, and other similar sports.	1	2	3	4	5
13) I tend to talk easily and openly about myself to others.	1	2	3	4	5
14) I don't mind following orders from superiors who have legitimate authority.	1	2	3	4	5
15) I prefer developing plans rather than putting them into effects.	1	2	3	4	5
16) There's not much pleasure in betting on sure things.	1	2	3	4	5
17) Faced with failure, I'd rather go quickly on to another activity than persevere in the situation.	1	2	3	4	5
18) I think that to succeed in business, you must commit enough time to family.	1	2	3	4	5
19) When I've earned something, I think it's important to protect it, to keep it secure.	1	2	3	4	5
20) Making a lot of money is mostly a matter of luck.	1	2	3	4	5
21) A problem is usually better resolved when you consider possible solutions.	1	2	3	4	5
22) I like to impress others with my achievements.	1	2	3	4	5
23) I prefer to play a sport such as tennis or badminton with someone who is slightly better at it than I am.	1	2	3	4	5
24) Sometimes, in business negotiations, ethics and morality have to be a bit loose.	1	2	3	4	5
26) I believe that good friends should make the subordinates in a business.					

1 2 3 4

Evaluate Your Answers...

Give yourself one point for each time you have CIRCLED THE NUMBER 1 or 2 in response to the statements numbered:

1,2,6,8,10,11,16,17,21,22,23,and 24

Give yourself one point for each time you have CIRCLED THE NUMBER 4 or 5 in response to the statements numbered:

3,4,5,7,9,12,13,14,15,18,19,20,and 25

TOTAL YOUR POINTS

- 21 to 25** You have great entrepreneurial potential. With such potential, it's surprising you haven't gone into business already (if that's not the case, of course!).
- 16 to 20** This result shows you have definite entrepreneurial potential. However, your success in business could depend on the abilities you show and the resources you have available.
- 11 to 15** This result puts you in an intermediate zone. You are probably capable of going into business, but you would have to put a lot of effort and perseverance into it. Outside help and follow-up in the form of advice and encouragement would be an asset to you. Some adjustment might also be necessary.
- 6 to 10** Your entrepreneurial potential seems fairly weak. You would certainly have to reconsider some of your options, attitudes and behavior patterns.
- 1 to 5** Be realistic. It would probably be difficult for you to evolve into the business world at present. You should become seriously informed about the restraints and demands of the entrepreneur's career.

From: Youth Entrepreneurs: Introduction to Entrepreneurship

Characteristics of the Successful Entrepreneur

Listed below are twelve characteristics considered the most important for an entrepreneur to develop. Which ones do you think you could develop with a little effort?

1. **Adaptability:** the ability to cope with new situations and find creative solutions to the problems.
2. **Competitiveness:** the willingness to compete with and test oneself against others.
3. **Confidence:** the belief that you can do what you set out to do.
4. **Discipline:** the ability to stay focused and stick to a schedule and deadlines.
5. **Drive:** the desire to work hard to accomplish your goals.
6. **Honesty:** the commitment to tell the truth and deal with people fairly.
7. **Organization:** the ability to structure your life and keep tasks and information in order.
8. **Perseverance:** the refusal to quit; the willingness to keep goals in sight and work toward them despite obstacles.
9. **Persuasiveness:** the knack for convincing people to see your point of view and to get them interested in your ideas.
10. **Risk Taking:** the courage to expose yourself to possible losses.
11. **Understanding:** the ability to listen to and empathize with other people.
12. **Vision:** the ability to see the end results of your goals while working to achieve them.

From the list above list four traits that you think you have:

1. _____
2. _____
3. _____
4. _____

List four traits that you think you could develop:

1. _____
2. _____
3. _____
4. _____

From the Young Entrepreneurs Guide to Starting and Running a Business by Steve Mariotti, Three Rivers Press, New York, 2000.

1 of 1

QUIZ FOR PROSPECTIVE BUSINESS OWNERS

These questions should help you think about yourself and about what you need to know to go into business. Depending on the type of business, one question will have more weight than another. Thus, a certain number of “Yes” answers would not definitely indicate that you’re ready to enter your own business. But if any of the questions cause you to prepare yourself more thoroughly, your time will have been well spent.

PERSONAL CONSIDERATIONS

	YES	NO
I like to make my own decisions and try my own ideas.	_____	_____
Common sense is one of my strong points	_____	_____
I enjoy being challenged and thrive on competition.	_____	_____
I have willpower and self-discipline. I get things done on time and plan ahead.	_____	_____
I like to work and understand that my own business will require me to work harder and longer – 12 to 16 hours a day, probably six days a week, maybe even on holidays.	_____	_____
I have the energy to do all the work involved – lifting, hauling, working in a shop, standing, walking, talking, smiling, driving – that the day-to-day operation of this business will call for.	_____	_____
I realize I can’t be all things to all people at all times but that this will be expected of me in my own business. I can withstand the strain this may create for me.	_____	_____
I don’t know everything. There are still things to learn– new ideas for me to consider. I can take advice from others.	_____	_____
I am adaptable. I’m not so routine-bound or rigid that I can’t change if the business requires change.	_____	_____

From: Lunny, Don. Steps to Starting and Running a Successful Business in Canada. Production Publications, Toronto, 1994. p. 133, 134

Entrepreneurial Assessment

The following questions deal with your personal background, behavioral characteristics and lifestyle patterns. Answer each question by marking the response that most accurately reflects your attitude. Answer as honestly as you can.

Part I: Attitudes Toward Risk –Taking	Definitely No	Probably Yes	Probably No	Definitely Yes
I am prepared to make sacrifices in my family life and to take a cut in pay to succeed in my business.				
I take risks for the thrill of it.				
I enjoy doing something just to prove that I can.				
I enjoy tackling a task without knowing all the potential problems.				
Part II: Personal Initiative and Discipline				
Once I decide to do something I will do it and nothing can stop me.				
When I begin a task I set clear goals and objectives for myself.				
After a severe setback in a project I am able to pick up the pieces and start over again.				
I am usually able to come up with more than one way to solve a problem.				
I believe in organizing my tasks before getting started.				
I find myself constantly thinking up new ideas.				
I can concentrate on one subject for extended periods of time.				
I find unexpected energy resources as I tackle things I like.				
I am likely to work long hours to accomplish a goal.				
Part III: General Attitudes				
When I do a good job I am satisfied in knowing personally that the job has been well done.				
I like the feeling of being in charge.				
When I think of the future I envision myself running my own business.				
I try to do a better job than is expected of me.				
Personal satisfaction means more to me than having money to spend on myself.				
I try to find the benefits in a bad situation.				
I persist when others tell me it can't be done.				
				1 of 2

Part III: General Attitudes (continued)	Definitely No	Probably Yes	Probably No	Probably No
I enjoy being able to make my own decisions on the job.				
I can accept failure without admitting defeat.				
I strive to use past mistakes as learning processes.				
I find that answers to problems come out of nowhere.				
I prefer to make final decisions on my own.				

Scoring:

The above questions reflect traditional entrepreneurial attitudes.

Give yourself:

4 points for each question answered “Definitely yes”	_____ x 4 = _____
3 points for each question answered “Probably yes”	_____ x 3 = _____
2 points for each question answered “Probably no”	_____ x 2 = _____
1 point for each questions answered “Definitely no”	_____ x 1 = _____

Total: _____

Interpretation of Your Score

Above 75 - Definitely Entrepreneurial

Your combination of personal background, behavior and lifestyle patterns should give you the basis for a successful business.

50 --- 74 Possibly Entrepreneurial

You may have the basis for succeeding in your own business. The process of preparing your business plan will help clarify your entrepreneurial orientation. If the information that you gather excites you about the prospect of running your own business, you will probably do well. On the other hand, if the prospect of running your own business scares you, think carefully about proceeding with the development of your own business.

26 ---- 49 Probably Not Entrepreneurial

Other possibilities may be more suitable for you.

Under 25 Definitely Not Entrepreneurial

This is self-explanatory; you will probably work as an employee.

From: Easto, Larry. Networking is More Than Doing Lunch. McGraw. Hill Ryerson Limited. Toronto. 1999. pp. 66,67.

A. Self Analysis

Going into business requires certain personal characteristics. The checklist in this section provides some insight into the qualities generally associated with an entrepreneur.

The first part of the checklist deals with you - the individual. These questions require serious thought. Try to be objective. Remember, it's your future that is at stake!

The next group of questions although brief, are vitally important to the success of your plan. It covers the physical, emotional and financial strains you will encounter in starting a new business.

The last set of questions deals with the skills and experiences that are critical to the successful operation of a business. It is unlikely that you will possess all the skills and experience required. To make sure that the range of skills and experience required to ensure your success is available to you it is important that you hire personnel that complement your particular skill sets and experiences. The last section of this checklist addresses some basic and special skills you will need to operate your business. By answering these questions you will be able to identify the skills you possess and those you lack.

Personal Characteristics	Yes	No
Are you a leader?		
Do you like to make your own decisions?		
Do others turn to you for help in making decisions?		
Do you enjoy competition?		
Do you have will power and self-discipline?		
Do you plan ahead?		
Do you like people?		
Do you get along well with others?		
Personal Conditions		
Are you aware that running your own business may required working 12-16 hours per day, six days a week and maybe even Sundays and holidays?		
Do you have the physical stamina to handle the work load and schedule?		
Do you have the physical stamina to withstand the strain?		
Are you prepared, if needed, to temporarily lower your standard of living until your business is firmly established?		
Is your family prepared to go along with the strains that they too might have to bear?		
Are you prepared to lose your savings?		
Personal Skills and Experience		
Do you know what basic skills you will need in order to have a successful business?		
Do you possess those skills?		
When hiring personnel will you be able to determine if the applicants' skills meet the requirements for the positions you are filling?		
Have you ever worked in a managerial or supervisory capacity?		
Have you ever worked in a business similar to the one you want to start?		
Have you had any business training in school?		
If you discover you don't have the basic skills you need to run your business will you be willing to delay your plans until you've acquired the necessary skills?		

From: Lunny, Don Checklist for Going into Business. Productive Publications, Toronto, 1994. p.3.

How much of an Entrepreneur Are You?

This survey, developed by the National Federation of Independent Business, is a great way to access your character. Read each of the qualities and explanations listed. Rate the degree to which you believe you possess that quality by circling the number from 1 to 10. After six months, do the survey again, using a different color pen or pencil, and see how you have grown.

Quality	Explanation	Ratings
Drive	Highly Motivated	1 2 3 4 5 6 7 8 9 10
Perseverance	Sticking to Task or Goal	1 2 3 4 5 6 7 8 9 10
Risk Taking	Willing to Take Chances	1 2 3 4 5 6 7 8 9 10
Organization	Life and work in Order	1 2 3 4 5 6 7 8 9 10
Confidence	Sure of Yourself	1 2 3 4 5 6 7 8 9 10
Persuasiveness	Able to Convince Others	1 2 3 4 5 6 7 8 9 10
Honesty	Open, Truthful	1 2 3 4 5 6 7 8 9 10
Competitiveness	Eager to Win	1 2 3 4 5 6 7 8 9 10
Adaptability	Coping With New Situations	1 2 3 4 5 6 7 8 9 10
Understanding	Empathy With Others	1 2 3 4 5 6 7 8 9 10
Discipline	Able to stick to Schedule	1 2 3 4 5 6 7 8 9 10
Vision	Able to Think of Long Term Goals	1 2 3 4 5 6 7 8 9 10

Date of First Self- Rating _____ Total Score _____

Date of Second Self-Rating _____ Total Score _____

The Entrepreneur as Problem Solver

Where other people see problems, entrepreneurs see opportunities for creating new businesses. Countless businesses, great and small, have been started because an entrepreneur has been annoyed by a problem.

Try thinking of three problems that annoy you and a business solution for each:

Problem	Business Solution
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____

Now think about where you live. Are there problems you could solve for your community?

List five business opportunities in your community and the need(s) each would satisfy:

Business Opportunity	Need(s) Satisfied
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

One good way to start thinking like an entrepreneur is to imagine how you would respond to a challenge or an opportunity, or even to some information about consumers. Given the following hypothetical situations, what business would you consider starting?

Situation

Business Opportunities

1. A 100 percent increase in the price of gas is announced _____
2. A going-out-of-business sign is placed in the window of a local grocery store _____
3. A new airport is being built near your home _____
4. Three new families with children are moving into your neighborhood _____
5. You know a lot of people who are planning to get married. _____
6. You live near a college _____

Things About Me Work Sheet

Complete the following self-assessment work sheet as honestly as you can. Just write down whatever comes to mind; don't over-think the exercise. Most likely, your first response will be your best. Once you've finished the exercises, look for patterns (i.e. is there a need for a business doing one of the things you like or are good at?).

1. List at least five to seven things you like to do or are good at.

2. List five to seven things you are not good at or you don't like to do.

3. "If there were three to five products or services that would make my personal life better, what would they be?"

4. "If there were three to five products or services that would make my business life better, what would they be?"

5. When people ask what you do, what's your answer (list one occupation or whatever mainly occupies your week)?

Things About Me Work Sheet

6. List five things you enjoy about your work.

7. List five things you dislike about your work.

8. "When people tell me what they like most about me, their response is":

9. "Some people dislike the fact that I":

10. Other than your main occupation, list any other skills you possess, whether you excel at them or not:

11. In addition to becoming more financially independent, I would also like to be more:

12. Write down three things you want to see changed or improved in your community.

From: Guide to Starting Your Own Business #1811. Entrepreneur Media Inc. Irvine, Ca. 1998. p. 16

The Big Idea

Your Assignment:

There are no limits to the questions that can provoke a great creative idea. In this activity you will find a story of an entrepreneur and try to think of the questions this entrepreneur must have asked in order to come up with the idea that made his/her business successful.

We recommend you look for these entrepreneurs' stories on the web pages of one of the following magazines:

- INC Magazine <http://www.inc.com:80/>
- BIZ STARZ Magazine <http://www.bizstarz.com>
- BLACK ENTERPRISE Magazine <http://www.blackenterprise.com>
- SUCCESS Magazine <http://successmagazine.com>
- ENTREPRENEUR Magazine <http://www.entrepreneurmag.com>
- EntrepreNews & Views <http://www.entre-ed.org>

Prepare a report to share with the class that identifies the entrepreneur and what made the business successful. Then create and share a list of questions this entrepreneur might have used to provoke his or her creative thinking. Ask for ideas from the group to add to your list. Discuss how questions can trigger your mind out of its established ruts to think about new and different ways to do many things. Use questions to get your brain working in new and different ways to develop ideas of value.

Other Web Pages Relating to Creativity:

Learn how to think creatively from the works of Edward de Bono an expert on how to encourage the mind to think outside the box and think new and creative thoughts.

What a Great IDEA! The book by Chic Thompson about key steps that creative people take. You can also learn about "Killer Phrases" and how to prevent them from inhibiting your creativity.

Try the Creativity Home Page based in Australia for an extensive list of books and references on creative problem solving, inventions, and patents.

“Visualize Your Future” Activity

All students should have an opportunity to dream about their future while they are still preparing for it. This activity can be used with youth of any age but will need some modification regarding the number of years from now they are to think about for their future.

Procedure:

- 1) Students will sit with their eyes closed and visualize themselves as a grown person in response to questions asked by the teacher.
- 2) After visualizing the future students should take 5-10 minutes to write down the answers to the “Questions about my Dream”. Encourage them to think seriously about their ideas.
- 3) Now divide the students into groups of about 5 and ask them to compare their ideas about the future. Each group should identify one person to report to the whole class in a summary of what the group as a whole learned in the process of visualizing their futures.

Instructions for the Students:

All students will be asked to **listen** and to **dream** in the first part of the activity. Then you will write your ideas on a form I will give you that will help you analyze your ideas. Finally you will get together with a group of students to talk about what you each learned from this activity.

- 1) You must listen carefully to others and not talk until asked to do so.
- 2) Your dream can be as big as you wish.
- 3) Please think about as many details as possible in answer to my questions.

Instructor reads the **following script slowly, allowing time for thinking:**

“Let’s close our eyes and picture a relaxing scene and remain quiet for a few moments”

PAUSE

“Now you will imagine your life as your would like it to be 10 years from now when you are grown up and out of school.”

PAUSE

“Now it is morning and you have just awakened. What do you see?”

PAUSE

“Now you go to your closet to get dressed. What do you see in your closet? What do you choose to wear to work today?”

PAUSE

“Now you are eating breakfast. What do you see?”

PAUSE

“You are now ready to leave for work. Where do you go? How do you get there?”

PAUSE

“Who do you see in your workplace? What are they doing?”

PAUSE

“What are your feelings about the work you are doing?”

PAUSE

“It is now lunchtime. What are you doing? How long do you take for lunch?”

PAUSE

“You are now at work and it is close to the end of the day. What are you doing? What time is it?”

PAUSE

“Where are you going now that work is finished? How do you feel about the day?”

PAUSE

“Now let’s take a few minutes to review the day. What were your most important thoughts and ideas during this dream?”

Questions about my dream:

- 1) What were my most important feelings about this day?
- 2) What type of work did I choose for myself? Why?
- 3) Did I work with people, ideas or things?
- 4) Did I use interests/hobbies/skills that I am developing now?
- 5) Did I work for someone or was I in charge of the business?
- 6) What I satisfied with the job I chose? Why or why now?

Notes:

As the students discuss this activity some of the types of information they will want to include are these questions: How many of them owned their own business? How many drove a fancy car? How many owned their own house or apartment? What does this mean about the amount of money they are earning? How many used skills or aptitudes that they have already started to develop? Were they happy with their lives? What did they learn about themselves in this activity?

Goal Setting Worksheet

This year (or summer) my goal is:

1. To earn \$ _____
2. To work _____ hours per week.
3. To take _____ days of vacation.
4. In my personal life, I will a) _____
b) _____
c) _____

FILL OUT A SECTION FOR EACH WEEK OF BUSINESS OPERATION*

To accomplish my goals:

My week one objectives are: 1. _____
2. _____
3. _____

Accomplished? YES _____ NO _____

My week two objectives are: 1. _____
2. _____
3. _____

Accomplished? YES _____ NO _____

My week three objectives are: 1. _____
2. _____
3. _____

Accomplished? YES _____ NO _____

My week four objectives are: 1. _____
2. _____
3. _____

Accomplished? YES _____ NO _____

*Note: These should be specific expectations. Week One should be devoted to business planning and should be started six to eight weeks before you intend to begin doing business.

WORKSHEET - continued

COMPLETE FOR EACH MONTH OF BUSINESS OPERATIONS*

My month one objectives are: 1. _____
2. _____
3. _____
4. _____

Accomplished? YES _____ NO _____

My month two objectives are: 1. _____
2. _____
3. _____
4. _____

Accomplished? YES _____ NO _____

My month three objectives are: 1. _____
2. _____
3. _____
4. _____

Accomplished? YES _____ NO _____

My month four objectives are: 1. _____
2. _____
3. _____
4. _____

Accomplished? YES _____ NO _____

*Note: These should be general goals and expectations. Month One begins the day you start doing business. The last month should end one month after your business has closed. It concerns the wrap-up of sales and productions, final accounting, and any shutdown procedures needed. If you intend to run your business the following year, spend some of this time organizing your business for next year's start-up.
From: Schincariol, David. Start & Run a Profitable Student Business. Self Counsel Press. Vancouver 1995. pp. 43, 44

Exercise

Task: To evaluate my own entrepreneurial idea

Objective: To set the stage for my venture

1. What is my opportunity?

Start by writing down the opportunity you'll be addressing with your idea. Let's say you see the trend to natural foods as an opportunity to exploit a growing need for natural foods. First, you'll have to be clear that there really is an opportunity in the natural food industry. Write down your opportunity and then check off each of the points of evaluation, to make sure you're clear about the viability of your opportunity.

My Opportunity:

My research has proven that the problem is (you should be able to check each one):

- Real
- Widespread
- Important to others
- Currently being under-addressed or improperly addressed
- Clearly defined
- Within my area of expertise or potential expertise
- The best one I can find
- An area I will enjoy working in
- A window of opportunity for me

2. What is my general idea?

Next you have to brainstorm as many ideas as possible that could address your

opportunity. If, for example, you see the trend to natural foods as an opportunity that's perfect for you, you need to come up with as many ways of exploiting that opportunity as possible. Will you grow organic food, sell wholesale or retail produce, open a restaurant, or test organic food for contaminants? Each of these possibilities represents a general idea.

My general Idea

is: _____

3. What is my specific idea?

Once you've identified the best idea (let's say it's a restaurant), list all the types of restaurants you might consider, such as fast food, upscale, large, small, urban, rural, with a large or small menu. Each of these decisions has to take into account your skills, resources, knowledge, and ambition. A large restaurant featuring an extensive menu will require more skill and resources and involve more risk. If you have restaurant experience, you may be able to begin on a larger scale, otherwise you'd be wise to start small.

A specific idea might look like this: A 50 seat diner located near the local college, featuring an inexpensive, fast-food vegetarian menu; the décor is railroad dining-car, art deco; the diner will be open 24 hours a day, 365 days a year, and the staff will wear 1950's uniforms.

Write down your specific idea, refining and qualifying it as much as possible.

My specific idea is:

4. Who is my specific market?

You'll have to know exactly who your customers will be, so you can tailor your idea to them. An example of a specific market for the diner idea would be: The primary market is vegetarian or health-conscious students or people between the ages of 16 and 25 with low income who live in the immediate vicinity of the diner and are currently being served by part of the menu in a larger restaurant halfway across town. The secondary market is 25 to 45 year old health-conscious urban professionals. Write down your specific market.

My specific market is:

5. How can I evaluate my specific idea?

To help evaluate your idea, read the following detailed questions which the entrepreneur who's planning the vegetarian diner should answer.

- a) Do I have knowledge of, or can I identify a member of my team who has knowledge of:
 - i. Health food?
 - ii. The restaurant business?

- iii. My target?
 - iv. Zoning restrictions?
 - v. The number, type, location, and success of competitors?
 - vi. Health regulations?
 - vii. Inventory control?
 - viii. Advertising venues in the community?
- b)** Do I know how much it will cost me to open the restaurant
- How much can I expect to gross in the first year?
 - How many employees will I need, where will I find them, and how much will I pay them?
 - Can I raise the necessary financial resources?
- c)** Am I prepared to work the kind of hours it will take to:
- Prepare a business plan.
 - Build a team?
 - Find and renovate a suitable location?
 - Locate, train, and supervise my employees?
 - Research and establish my supply network?
 - Deal with insurance companies, supply shortages, surplus local bylaws?
 - Stay open six or seven days per week?
- d)** Is my idea innovative? How?
- e)** Has my idea been tried before? Successfully? Unsuccessfully? Can I explain why it was either successful or unsuccessful?
- f)** Could someone else copy my idea, using greater resources than I have? Easily?
- g)** Do I know what a worst-case scenario would look like? Can or would I be willing to, survive it?
- h)** Do my spouse and family agree with everything I have indicated above? Are they willing to support me in my venture?

Now evaluate your specific idea by answering the following questions as they relate to it.

1. Do I have sufficient knowledge about this type of venture?

2. If not, am I willing and able to learn what I need to know?

3. How much it will cost me to start this venture?

4. How much can I expect to gross in the first year?

5. How many employees will I need?

Where will I find them?

How much will I pay them?

6. Can I raise the necessary financial resources?

7. Am I prepared to work the kind of hours it will take to:

▪ Prepare a business plan?

▪ Build a team? _____

▪ Find and renovate a suitable location?

▪ Locate, train, and supervise employees?

▪ Research and establish my supply network?

▪ Deal with insurance companies and local bylaws?

- Deal with supply shortages and surplus?

8. How is your idea innovative?

9. Has my idea been tried before?

Successfully? _____

Unsuccessfully? _____

10. Why was it either successful or unsuccessful?

Evaluation

How does your idea stack up? Has it begun to lose some of its initial appeal? If so, take another good hard look at it: It will never be as cheap to abandon it as it is now. Or does it appear more attractive than ever? Then, carry on. Are you a little frightened about what you're getting yourself into? If so, good. Confidence is important, but overconfidence can be life-threatening. Even highly skilled musicians and performers get nervous before important engagements. It's part of the thrill.

From: Lang, Jim. Make Your Own Breaks. Trifolium Books Inc. Toronto. 1994

Business Comparison Work Sheet

This form helps you determine the compatibility of a prospective business with your personal objectives, experience and lifestyle. Assign each business a column number. Answer each question along the left-hand side of the form, assigning a rating of 1-3 for each question, with 3 being the strongest. Total each column after you're finished. The opportunities with the highest scores are the most suitable for you.

	1	2	3	4
Rate your experience and background in relation to the business.				
Are you familiar with the operations of this type of business?				
Does the business meet your investment goals?				
Does the business meet your income goals?				
Does the business generate sufficient profits?				
Do you feel comfortable with the business?				
Does your family feel comfortable with the business?				
Does the business satisfy your sense of status?				
Is the business compatible with your people skills?				
Is there good growth projected for the overall industry of the business?				
Is the risk factor acceptable?				
Does the business require long hours?				
Is the business location-sensitive?				
Does the business fit your personal goals and objectives?				
Does the business fit your professional skills?				
TOTALS				

From: Guide to Starting Your Own Business #1811. Entrepreneur Media Inc. Irvine, Ca. 1998.

GOALS AND OBJECTIVES WORK SHEET

If you're having trouble deciding what your goals and objectives are, here are some questions to ask yourself:

1. How determined am I to see this venture succeed?
2. Am I willing to invest my own money and to work long hours for no pay, sacrificing personal time and lifestyle, maybe for years?
3. What's going to happen to me if this venture doesn't work out?
4. If it does succeed, how many employees will this company eventually have?
5. What will be its annual revenues in a year? Five years?
6. What will be its market share in that time frame?

GOALS AND OBJECTIVES WORK SHEET (continued)

7. Will it be a niche market or will it sell a broad spectrum of goods and services?

8. What are the plans for geographic expansion? Local? National? Global?

9. Am I going to be a hands on manager, or will I delegate a large proportion of tasks to others?

10. If I delegate, what sorts of tasks will I share? Sales? Technical? Others?

11. How comfortable am I taking direction from others? Could I work with partners or investors who demand input into the company's management?

12. Is this venture going to remain independent and privately owned, or will it eventually be acquired or go public?

2 of 2

From: Henricks, Mark. Business Plans Made Easy. Entrepreneur Media Inc. Canada. 1994. p. 47, 48.

Timbit Finances

Time : 30 minutes

Supplies

- Box of Timbits (or cookies)
- “Timbit Finances Record Sheet”

Purpose

- to show participants the various costs that go into running a business such as marketing, supplies, wages, and taxes
- to show participants that just because they may own their own business, it does not mean that they will become rich automatically
- to define revenue, expenses and profit
- to introduce the concept of a break even point and use it as they prepare for their own businesses.

Activity

- Place 10 Timbits on a plate
- Explain to participants that they own a Tim Hortons donut franchise (or similar company familiar to your participants) and that each Timbit on the tray represents \$10,000, which is 10% of their sales/revenue of \$100,000 for each year.
- Explain to participants that they will get to take turns removing the Timbits for various expenses and costs. They should record each figure and subtract it from the \$100,000 as the Timbits are removed (on the Timbit Finances Record Sheet).
- Remove two Timbits from the tray to represent the cost of supplies and ingredients (\$20,000).
- Remove two Timbits from the tray to represent wages (\$20,000).
- Remove two Timbits for equipment (\$20,000).

- Remove one Timbit for distribution (\$10,000).
- Remove two Timbits for overhead costs such as rent, water, insurance, etc. (\$20,000)
- Show how this leaves one Timbit for both profit and entrepreneurs salary(\$10,000).
- Then explain that first you have to pay taxes.
- Break the Timbit in half and remove one of the halves (\$5,000).
- Break the remaining half again to represent the entrepreneurs salary (\$2,500).
- Explain that the remaining quarter represents profit (\$2,500).
- Discuss the number of Timbits that would have to be sold to make a living.

Refelecting

- Ask participants how many dollars of donuts would have to be sold to make a salary of:
 - \$20,000
 - \$35,000
 - \$50,000
- Ask participants if they would put the profits back into the business.
- Ask them what rewards or incentives they see in running their own business.
- Go over the idea of a break-even analysis. (The point at which you have sold enough to cover your costs is your “break-even” point. If you sell more, you have a profit; if you sell less, you have a loss.)

**WORKSHEET
EMPLOYEE APPLICATION FORM**

Specify position applied for:

1. _____ Salary expected: \$ _____

2. _____ Date available: _____

Full-time _____ Part-time _____ On call _____ Summer _____

Why do you want to work for us?

PERSONAL INFORMATION

Last name: _____ First name: _____ Initial: _____

Address: _____ City: _____

Province/State: _____ Postal / Zip code: _____

Telephone: _____

Are you legally entitled to work? _____

Social insurance / security number: _____

Is there some circumstance that would prohibit you from completing the work for which you are applying:

EDUCATION AND TRAINING

	High School	College or University	Other education
School:	_____	_____	_____
Name and location:	_____	_____	_____
Dates attended:	_____	_____	_____
Graduated:	_____	_____	_____
Degree:	_____	_____	_____
Major field of study:	_____	_____	_____
Approx. grades:	_____	_____	_____

EMPLOYEE APPLICATION FORM – cont'd

Knowledge of technical equipment:

Languages spoken: _____

EMPLOYMENT RECORD

Company name and address	Dates employed	Position / description of duties	Reason for leaving	Contact (supervisor's name and number)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

REFERENCES

Name	Years known	Occupation	Complete address	Telephone
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

DECLARATION

By signing this application, I declare that the above information is correct and true and that the company has the right to investigate my statements. I agree that any false statement or misrepresentation in this application will be grounds for dismissal from employment.

Date: _____ Signed: _____

From: Schincariol, David. Start & Run a Profitable Student Business. Self Counsel Press. Vancouver. 1995. p 87,88

**WORKSHEET
ASSESSING POTENTIAL EMPLOYEES**

Name of Job Applicant: _____

Level of Skill, Attribute, or Ability

	1 (Low)	2	3 (Average)	4	5 (High)
Flexibility	1	2	3	4	5
Openness	1	2	3	4	5
Ability to present ideas	1	2	3	4	5
Team working ability	1	2	3	4	5
Self-reliance	1	2	3	4	5
Organizational ability	1	2	3	4	5
Motivation / dedication	1	2	3	4	5
Leadership ability	1	2	3	4	5
Problem-based learning skills	1	2	3	4	5
Self-interests consistent with the job	1	2	3	4	5
Interpersonal skills	1	2	3	4	5
Reliability	1	2	3	4	5
Personality	1	2	3	4	5

SCORE

_____ **DON'T HIRE** _____ **HIRE** _____

From: Schincariol, David. Start & Run a Profitable Student Business. Self Counsel Press. Vancouver. 1995. p 87,88

FACILITIES WORK SHEET

Use this worksheet to analyze your facilities requirements. Fill out the sections, then test available facilities against your requirements.

Space Requirements:

Initial Space _____

Expansion Space _____

Total Space _____

Location Requirements:

Proximity to Labor Pool _____

Proximity to Suppliers _____

Transportation Availability _____

Layout Requirements:

MARKETING PLAN WORKSHEET

Date: _____

Review Date: _____

***review your marketing plan at least once a year

1. Define your product(s) and/or services(s).

Write one sentence about your product and/or service highlighting the unique benefit(s) it delivers to your target market.

2. Know your competition.

Describe the product(s) and/or service(s) that your competition has as well as their unique benefits, target markets, sales events and messages, and marketing venues, strengths and weaknesses.

Describe how your company pricing policy, unique benefits, target market, marketplace, marketing communications and sales message compares to your competition.

Write one sentence as a positioning statement that defines your product(s) and/or service(s), target market and the unique benefit.

3. Understand your marketplace.

Describe all key current and future marketplace concerns and events ranging from economic conditions and political events to consumer trends, current issues (such as a political campaign) and local community events.

4. Choose your target market.

Write a brief description of your target market that includes all relevant information such as age, gender, income, education, lifestyle, beliefs, attitudes, and interests.

5. Determine your objective.

Write a one sentence objective that is specific, measurable, realistic and worthwhile.

6. Select your sales message.

Write a one sentence sales message that will encourage your target market to achieve your marketing objective.

7. Choose your communication avenue(s).

List the avenues you will use to reach your target market (news releases, advertisements, Web site, etc.).

1.

2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

8. Establish your project schedule and budget.

(for a detailed worksheet, please see the “Schedule and Budget Worksheet”).

Specific date:

Total budget:

9. Write your marketing materials.

List the communications avenues noted in step 7. Tick off the steps as they are completed.

Communication Avenues	Review Marketing plan	Outline	Write	Edit	Proof
1.					
2.					
3.					
4.					
5.					

10. Evaluate your success.

1. Your goal :

2. Your benchmark figure: _____

3. Your concluding figure: _____

4. Subtract your benchmark figure from your concluding figure:

5. Your result (compare your new figure to your goal):

From: Ross, S.J. Smart Marketing on a Small Budget. McGraw-Hill Ryerson Limited. Toronto. 1999. p. 222-224.

Target Market Worksheet

Use the following exercise to identify where and who is your target market. Once you're done, you'll have an audience to aim for and hone in on rather than using a shotgun approach, which is a time and money waster.

1. Describe the idea:

2. What will the concept be used for?

3. Where are similar concepts used and sold?

4. What places do my prospects go to for recreation?

5. Where do my prospects go for education?

6. Where do my prospects do their shopping?

7. What type of newspapers, magazines, newsletters do my prospects read?

8. What TV and radio stations do my prospects watch and listen to?

From: [Guide to Starting Your Own Business #1811](#). Entrepreneur Media Inc. Irvine, Ca. 1998. p. 60.

**WORKSHEET
CASHFLOW FORECAST**

MONEY PAID OUT	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	TOTAL
Licenses and permits	\$	\$	\$	\$	\$	\$	\$
Equipment							
Rental costs							
Office expenses							
Materials							
Employee payroll							
Promotion							
Debt repayment							
Insurance							
Miscellaneous							
Total money paid out	\$	\$	\$	\$	\$	\$	\$

NET CASH (cash in-cash out)

Monthly income (+) / loss (-)	\$	\$	\$	\$	\$	\$	\$
Total cumulative profit/ or loss	\$	\$	\$	\$	\$	\$	\$

MONEY RECEIVED							
	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	TOTAL
Forecasted Sales	\$	\$	\$	\$	\$	\$	\$
Loans							
Investor Cash							
Interest from term deposit, etc.							
Other Income --- personal, etc.							
Total Money received							

From: Schincariol, David. Start and run a Profitable Student Business. Self Counsel Press. Vancouver. 1995. p. 50, 51.

**Customer Information Record
Worksheet**

First interaction date: _____

Last interaction date: _____

Customer name: _____

Address: _____

Telephone: _____ Occupation: _____

Personal Information

1. Age group: _____

2. Marital status: _____

3. Children: _____

4. Estimated income: _____

Purpose of interaction / customer's interest:

Any work performed: _____ When: _____

Still interested in work: _____

When: _____

Important concerns:

Comments:

**WORKSHEET
COSTING OUT YOUR PRODUCT**

Materials:

Description	Quantity	Price	Total
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
Total material costs:			\$ _____

Labor:

Activity	Total time required	Rate/ unit time	Total
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
Total labor costs:			\$ _____
Total labor and material costs:			\$ _____
Estimated operating costs:			\$ _____
Expected profit:			\$ _____
Selling Price:			\$ _____

Selling price = Total labor and materials cost + Estimated operating costs + Expected profit)

nt

**WORKSHEET
COSTING OUT YOUR SERVICE**

Materials:

Description	Quantity	Price	Total
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
Total material costs:			\$ _____

**Labor:
Activity**

Activity	Total time required	Rate/ unit time	Total
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
Total labor costs:			\$ _____

Total labor and material costs: \$ _____
Estimated operating costs: \$ _____
Expected profit: \$ _____
Selling Price: \$ _____

Selling price = Total labor and materials cost + Estimated operating costs + Expected profit)

TAKING CARE OF BUSINESS

N G O E K D N T R E P B R N G
L O N V E E N E T U R R C O N
A E I I E P Y I X N A O T I I
T C O T T R B S A E R W T T K
I I O I A E H P T P W S N P R
P O F F D C K E O O Y E U Y O
A V I O N I I R A N N R O R W
C N S R E A A F A D G E C C T
R I C P T T Q L I M O A C N E
O V A M I I G R O S S N A E N
V Y L O L O S I H A R G F E G
K J N C O N S U M E R E I L W
I N S U R A N C E Q J L V Q D
L I A B I L I T Y X A T S I Z
L I A T E R S U P P L Y P D D

ACCOUNT
CAPITAL
DEPRECIATION
ENCRYPTIONS
INSURANCE
LIABILITY
NET
PROFIT
TAX

ANGEL
CONSUMER
DEBIT
FISCAL
INVOICE
LIEN
NETWORKING
RETAIL

BROWSER
CORPORATION
DIVERSIFICATION
GROSS
KEystone
MARKETING
OVERHEAD
SUPPLY

HIDDEN MESSAGE: _____

From: <http://puzzlemaker.school.discovery.com/code/BuildHiddenMessageWordSearch.asp>

1 of 1

TOWER OF POWER

Time

- 45 minutes

Supplies

- 5 cardboard boxes
- 50 drinking straws
- 100 toothpicks
- 5 rolls of tape
- 5 pieces of string (1 metre in length)
- 5 raw eggs
- 5 rolls of toilet paper
- 50 paper clips
- 25 elastic bands
- 20 sheets of newsprint
- large sheet of plastic

Purpose

- to help participants develop skills in problem solving, creativity, teamwork, organization / planning and communication

Activity

- Divide participants into groups of three
- Give each group a package of material consisting of:
 - 1 cardboard box
 - 4 sheets of newsprint
 - 1 roll of tape
 - 1 egg
 - 1 roll of toilet paper
 - 10 drinking straws
 - 20 toothpicks
 - 10 paper clips
 - 5 elastic bands
 - 1 piece of string (1 metre long)

1 of 2

- Explain to each group that they have to build a tower that will support one egg for 30 seconds
- Assign each item a price:

➤ Cardboard box	\$500
➤ Newsprint	\$100 / sheet
➤ Drinking straw	\$50 each
➤ Toothpick	\$10 each
➤ Tape	\$200 / roll
➤ String	\$100
➤ Toilet paper	\$100 / roll
➤ Paper clips	\$10 each
➤ Elastic bands	\$5 each

- Tell the group that they should try to build the highest and most efficient tower possible.
- Explain to participants that for each inch of tower they get one point, and that for each \$10 spent they have one point deducted.
- Give the group 10 minutes to get together and discuss a strategy.
- Give the groups 20 minutes to construct their towers.
- Test and score each groups' tower after everyone is finished.

Tips

- Put a large sheet of plastic on the floor to protect it from “Flying Eggs”.
- Competitiveness can play a major part in this game, so create a prize to give the team with the highest and least expensive tower.

From: Introduction to Entrepreneurship – Youth Entrepreneur. Beaver River Community Futures Development Corporation.

Case Study

XI. “Yard Maintenance”

Kelly Whitewood and Leigh Blackburn are good friends. They live in a small community made up of 2500 houses. Many of the residents are elderly and live on small pensions. The town is located on the edge of a northern lake. The lake is beginning to attract many people interested in northern fishing. The council would like to develop the lake into a major fishing resort and create much needed jobs for the community. The local business people think that keeping the town looking neat and clean is important to attracting cabin owners and campers who will go into town and buy supplies.

Kelly is good at mathematics and is very organized. Leigh has a very outgoing personality and is a hard worker. Both partners love to work with their hands and enjoy being out of doors. The two have decided to offer a lawn mowing and snow shoveling business. They will start out by doing all the work themselves and working weekends. Next year they may consider working 3 days a week or getting jobs for other teenagers as well.

Winter time is an especially difficult time for seniors. Often shoveling sidewalks and driveways can result in strained backs or health problems.

Sometimes the local Kids Group do yard cleaning in spring to earn money for camp. They charge \$5.00 a yard and advertise through the local newspaper. They always have more customers than they can handle in one day, and as a result some people do not get their work done. Other people complained that they did not do a good job, and will not hire them anymore.

Leigh and Kelly would like to have enough customers so that they each can earn \$120.00 a month. Leigh has access to a truck. They can use it at a cost of \$1.00/job.

Kelly's parents own a repair shop. They are willing to sell Kelly and Leigh two used gas lawn mowers for \$200.00. They agreed to take \$25.00 a month for payments. Leigh and Kelly have relatives who wish to donate a wheel-barrow, rakes, hoes, and shovels. Leigh's grandmother is going to lend them \$120.00 to start their business. She knows they will need to get some books to record expenses and earnings, and paper to make signs. She will get her money back at \$20.00 a month for 6 months, as soon as they start working. Her experience in keeping the books for the church ladies group, indicates that Leigh and Kelly will need to spend \$20.00 per month for general office expenses.

The local weather office was contacted to gather information on snowfall. According to statistics, it will probably snow 3 times a month in winter. Statistics also indicated that the first snowfall will happen December 1 and that the last snow fall is usually on March 31 every year.

The University Department of Horticulture advised that lawns in their area would need to be mowed once a week. They also were told that the lawns could be mowed between May 1st and November 1st every year.

...continued

Kelly did a lot of reading on yard care services being offered in British Columbia, Alberta, Saskatchewan, and Manitoba. The reports indicated several large companies were starting to offer the service in smaller communities. These companies usually charged \$4.00 for lawn mowing and \$6.00 for snow removal. They offered other services as well, such as rototilling gardens and tree planting.

Leigh set up a table at the local fair and asked people if they would be interested in becoming clients. In total they spoke to 300 homeowners.

Survey Results:

Total Surveys filled in: 300
Yes: 80 **Maybe:** 50 **No:** 170

People with teenagers at home, and people who like to do yard work, all replied “no” to the service.

Leigh talked to customers about what they would be willing to pay.

# of Responses	Lawn Mowing	Snow Shoveling
5	\$8.00	\$9.00
23	\$5.50	\$6.50
52	\$3.00	\$4.00

Nine residents told Leigh to put them down as customers, provided that the rates were not too expensive.

The partners mowed several lawns and were able to determine that it takes two hours to mow and rake a lawn. They were also able to determine that it takes \$.50 in fuel to mow an average lawn. Shoveling sidewalks and driveways takes 3 hours. Therefore in one day they would each be able to take care of 4 yards in summer and 3 yards in winter.

SWOT ANALYSIS

...an activity to be used in conjunction with the Case Study

A **SWOT analysis** is the process of looking at something to find its strong points as well as its weaknesses, what the opportunities are, as well as what factors threaten (what to be aware of or cautious about) the opportunity. Look at the grid that has been provided. Notice it is divided into 4 areas: **Strengths, Weaknesses, Opportunities and Threats**. You will use this grid when writing down information found in the Case Study.

STRENGTHS AND WEAKNESSES IN A COMMUNITY

Begin by reviewing the Case Study looking for clues about the community to find its strengths and weaknesses. A **strength** in a community is something that would support, need, or value, the company. A **weakness** would be something in the community that could have a bad effect on the business. List the strengths and weaknesses on the grid provided.

OPPORTUNITIES AND THREATS IN A COMMUNITY

By looking over the case study, look for information confirming an **opportunity** exists, as well as the **threats** to the opportunity. Record the information under the appropriate headings of the grid.

Don't be surprised if something can be both an Opportunity and a Threat.

For example: The fact that the Kids Group does yard cleaning and snow shoveling is a Threat because of the competition for clients. However, it is also an opportunity because they cannot handle all of the business. The reaction of the community to the service is a positive indication that the business would succeed.

THE PARTNERS

The people in the business are also important. Write down everything you learned about Leigh and Kelly from the Case Study. Remember to list both their good and not so good characteristics. Add this information to the Strengths and Weaknesses section.

Now use this type of SWOT analysis in your own community and see what opportunities there are for a business of your own!!

...continued

SWOT ANALYSIS FORM

Strengths	Weaknesses
Opportunities	Threats (Barriers)

A PRODUCT OR A SERVICE?

Business opportunities can be divided into two basic types: a “PRODUCT” (Goods) or a “Service”. Understanding what you are offering to the customer is very important.

A **product** or good is something you make. For example a tractor is a product; because you would take metal, make it into parts, and put them together to make the tractor. Saskatoon Berry Jam is a product made from food ingredients.

A **service** is basically using some skill or expertise you have developed, and offering it to a customer. For example, a letter carrier is offering a service. The post office has developed the skill and expertise to collect, sort, and deliver the mail.

Look at the following lists and mark a P beside the products and an S beside the services. In the blank spaces list three services and products offered in your community.

Pizza		Shoe Repair	
Lawn Mowing		Baby-sitting	
Fudge		Delivering Pizza	
Hedge Trimming		Vegetables	
Garage Sale		Video Rental	
Crafts		Picking Berries	
Selling crafts		Beef Jerky	

List some products and services in your community.

Services	Products

From: Entreprising Youth Program, 1997

SHARING SUCCESS WITH EMPLOYEES

The employees (staff) of a company are one of its greatest strengths or weaknesses. A motivated staff is more efficient and productive. Unhappy or uninformed staff cannot do their jobs well.

Many companies reward their staff with shares in the company or extra bonuses.

What other ways can you think of that would let them know that their good work is appreciated?

BUSINESS IMAGE

Finding examples...

To develop your **business image** (business cards, brochures, letterhead), **look for examples** of designs that you like and don't like. Take time to consider what your customer's needs are, and what qualities about your product/service you want to bring forth.

What information would be **important to your customers**, looking from their point of view?

Your task at this time is to **collect** as many business cards, brochures, and business letterheads, as you possibly can. Go into local businesses and ask for their materials. Look for designs at print shops. Look for ideas in the mail that come to your house every day. **Save these to help you create your own promotional material.**

Making Your Own...

Look at all of the different brochures, etc. that you have collected. What catches your eye immediately?

Make a list of the points you like about the material.

Which material don't you like?

Make a list of the things you don't like about the material?

When you are designing **your** promotional material, it is essential to have some idea of what you want it to look like and **why**. Knowing what you like and don't like will give you a starting place. Remember to include **the needs** of your target audience into the material.

For example: Are your customers elderly? If they are, is printing size important? Elderly people often have a hard time reading smaller print.

From: Enterprising Youth Program, 1997

VIII. RESOURCES

A. PRINT MATERIAL

The following consists of a list of print material that is available at the Newsask Community Futures Development Corporation, which would be suitable for classroom use. The print material has been categorized under the following headings:

- General
- Financing
- Marketing
- Planning
- Human Resources
- Examples of Business Ventures & Business Plans

General

1. Kenesy, Dan. **No B.S. Business Success**. Self Counsel Press Inc. North Vancouver, B.C. NS1028

This book provides advise on how to be successful in business. Topics include choosing a viable business idea, making money without money, marketing and knowing how to stick to your idea when times get tough.

2. Gray, Douglas & Diana. **The Complete Canadian Small Business Guide**. McGraw Hill –Ryersan Ltd. Canada. 2000 NS 230

A complete guide to starting a small business. Topics include business planning, finances, legal matters, franchises, marketing, export/import, patents, & insuring your business future.

3. Gilkerson, Linda D. & Theresa M. Paarvue. **Self –Employment: From Dream to Reality**. Jist Works, Inc. Indianapolis. In. 1998. NS1947

This book goes through step-by-step procedures to assist individuals with starting a small business; beginning with... Do I have what it takes to succeed? to...finances, personnel, and legality.

4. James, Jack D. **Starting a Successful Business in Canada**. Self Counsel Press. North Vancouver, B.C. 1998 NS 1248

This book deals particularly with how to get started in business as well as the financial aspects of business; it also mentions the physical needs and other pertinent topics.

5. Kyambalesa, Henry. **Tips for Entrepreneurs**. Productive Publications. Toronto, Ontario. 1998 NS 1956

A book providing tips about starting a business, like deciding whether this is for you, advice on how to get started, skills needed, financing, marketing, etc. “Steps to Starting a New Business” page 8 – 23 are very informative.

6. McBride, John. **Minding Your Own Business**. Human Rights Development Canada. 1994 NS 2176

First Nations Communities for Aboriginal Business

7. Saskatchewan Economic Development. **Starting a Business in Saskatchewan**. Saskatchewan Government. Regina. 1993 NS 237

This booklet provides a general guideline of the business process from evaluating yourself, financing, planning, taxes, etc.

8. Lunny, Donald. **Checklist for going into Business**. Productive Productions. Toronto, Ontario. 1994 NS 1961

A book of checklists, which can be used as you begin thinking about going into business. Some examples of checklist topics: self-analysis, market analysis, financial analysis, and a business plan checklist.

9. Lunny, Donald. **Steps to starting and running a Successful Business in Canada**. Productive Productions. Toronto, Ontario. 1994 NS 1962

A book describing the advantages and disadvantages of going into business, planning, marketing, licenses, regulations, human resources. The book also includes an extensive set of work sheets ranging from personal to financial considerations, lists of assistances available, budgeting plans, and the business plan components.

10. Newsask Development Corporation, **Writing a Business Plan – One Step At a Time**

A business plan outline, which includes a summary of each category in a business plan. Some areas included are: the market, resources required, financial analysis, and risk assignment.

11. **I am an Entrepreneur Self-Assessment Guide.**

Do you want to be your own boss? Realize your full potential. Earn a good living.

12. Sheedy, Edna. **Entrepreneur's Guide to Growing Up**

This practical book about organizing, planning and managing that awkward stage of growth after start-up when the company goes from small to bigger.

13. Sheedy, Edna. **Start & Run a Profitable Home based Business.**

International Self-Counsel Press. Ltd. North Vancouver, B.C. 1997 NS 1260

This book talks about defining your goals, making a business legal, financing, marketing, and taxation.

14. Gray, Douglas A and Diana. **Home Inc.** McGraw Hill Ryerson. Toronto, ON. 1994. NS 234

A book on the basics of starting your business, selecting a business profile, including checklists and samples.

Financing

1. Fitchett, Gary. **Where To Go When the Bank Says No**. McGraw-Hill Ryerson. Toronto, Ontario. 1998 NS 2115

The book explains ways to get the financing you need for your business from letters of credit to government programs.

2. Entrepreneur Magazine. **Financing Your Small Business Guide # 1806**. Entrepreneur Media Inc. Irvine, CA. 1997

The binder describes sources of financing, evaluation of your financial situation, types of loans, and managing credit.

3. Antonini, Orlando J. **Getting a Business Loan**

A comprehensive course on how to obtain federal and provincial government grants, subsidies and financing, venture capital and funding from private sources.

4. Williamson, Iain. **Your Guide to Canadian Export Financing**

This program gives you practical tips for sorting out details and keeping them that way. It's a skill and a state of mind you can achieve with a little help.

Marketing

1. Siskind, Barbara. **Seminars To Build Your Business**. Self-Counsel Press. Bellingham, Washington. 1998. NS 1391

This book explains how to market your product or service by holding a seminar. The book shows how to plan, find sponsors, present the program and follow up.

2. Siskind, Barry. **The Power of Exhibit Marketing**. Self Counsel Press. Bellingham, Wahington, 1998. NS 1275

This book describes how to exhibit your product and service most effectively. The section on creating a display and the exhibit building checklist would be most beneficial.

3. Egelhoff, Tom. **How to Market, Advertise and Promote your Business or Service in a Small Town** Eagle Marketing, Bozeman, MT. 1998. NS 2038

A book designed for small town business that provides a marketing plan in ten steps.

4. Ross, S.J. **Smart Marketing on a Small Budget**. McGraw Hill Ryerson Ltd. Canada. 1999. NS 2043

A complete toolkit for successful marketing. This book includes how to write effective news releases, marketing better brochures, speeches and presentations.

Planning

1. Bareham, Steve. **Don't Get Caught in Risky Business**. McGraw-Hill Ryerson. Toronto, Ontario. 1999 NS 1792

An excellent resource for developing a plan of action. The book guides you to remain focused by evaluating the way you think, predicting risks and failures, and the steps to creating a plan of success.

2. Touchia, Rodger D. **Preparing a Successful Business Plan**. Self-Counsel Press. North Vancouver, B.C. 1998 NS 1244

This book consists of a worksheet that assists the entrepreneur in the planning stage. The book also helps you create an effective strategy for selling your ideas.

3. Heinrichs, Mark. **Business Plans Made Easy**. Entrepreneur Media Inc. Canada. 1999 NS 1954

A concise easy to read book that deals with answering basic questions about the business plan, such as goal setting, creating great impressions on your plan, designing appendixes, financial statements and market plans.

Human Resources

1. Easto, Larry. **Networking Is More than Doing Lunch.** McGraw-Hill Ryerson. Canada. 1999. NS 2040

This book provides information about the importance of networking to make your business successful. The book contains easy to use self-exercises, telephone scripts, checklists, and meeting agendas, to assist the young entrepreneur in working with public.

2. **Human Resources Development Canada** NS FILE 1089

This file contains information on Human Resources.

Examples Of Business Ventures & Business Plans

1. Kahn, Sharon & the Philip Lief Group. **101 Best Businesses to Start.**
Doubleday.
New York. 1992 NS 884

A book listing various types of businesses with guidelines on how to start up such a business, operating costs, project projections, staffing needs and real life stories.

2. Entrepreneur Magazine Group. **Entrepreneur Business Start up Guide.**
Entrepreneur Media Inc. Irvine CA. 1997

The following is a list of How to books for different businesses:

#435	Ad Agency	#436	Advertising Specialties
#437	Antique Sales/Restoration	#439	Audio Bookstore
#440	Auto Body/Painting	#441	Auto Detailing
#442	Automotive Services	#443	Baby Store
#444	Bakery	#445	Balloon Delivery
#446	Bar/Tavern	#447	Beauty Supply
#449	Bicycle/Moped Store	#450	Body Care Boutique
#451	Burglar Alarm Sales	#452	Business Brokerage
#453	Business Development	#454	Writing Effective Business Plans
#455	Car Wash	#456	Carpet Cleaning Service
#457	Check Cashing Service	#458	Child Care
#459	Child Service	#460	Child's Apparel Store
#461	Children's Fitness Center	#462	Children's Bookstore
#463	Classified Ads/Free Newspapers	#464	Clipping Service
#465	Coffee House	#466	Coin Laundry
#467	Coin Operated Vending Machine	#468	Collectibles
#469	Collection Agency	#470	Compact Disk Store
#471	Computer Consulting	#472	Computer Learning Center
#474	Computer Repair Service	#476	Consignment Clothing Store
#477	Consignment Furniture	#478	Consulting
#479	Convenience Food	#480	Copy Shop
#481	Coupon Mailers	#482	Craft Business
#483	Credit Consulting	#484	Cross Country Trucking
#485	Damage Restoration	#486	Dating Service
#487	Desktop Publishing	#488	Diaper Delivery Service
#489	Dry Cleaning	#490	Employment Agency
#491	Business Encyclopedias Vol. 1-3	#492	Entrepreneurial Women Guide
#493	Environmental Services	#494	Event Planning Services

#495	Executive Recruiting	#496	Fabric Shop/Discount
#497	Family Recipe	#498	Financial Aid Services
#499	Financial Broker	#500	Flat Fee Real Estate Co.
#501	Flower Vending	#502	Flower Shop
#503	Food & Party Catering	#504	Food Court Restaurants
#505	Food Delivery Service	#506	Freelance Writing
#507	Freight Broker	#508	Frozen Yogurt Shop
#509	Furniture Store	#510	Garage Detailing Service
#511	Gift Basket Services	#512	Gourmet Potato Restaurant
#513	Government Contracts	#514	Graphic Design
#515	Hair Salon/Family	#516	Health Food Vitamin
#517	Herb Farming	#518	Hobby Shop
#519	Home Based Business	#520	Make Money with a Home Computer
#521	Home Entertainment	#522	Home Health Agency
#523	Home Inspection	#524	Home Remodeling Service
#525	25 Hottest Businesses	#526	House Painting
#527	Ice Cream Store	#528	Image Consulting
#529	Import/Export Services	#530	Incorporation Kit
#531	Information Broker	#532	Instant Sign Store
#533	Interior Design	#534	Janitorial Services
#535	Kiosks & Carts Business	#536	Language Translation Service
#537	Laser/Fax Maintenance	#538	Lawn Care
#539	Limousine Service	#540	Lingerie Shop
#541	Liquidator Selling	#542	Liquor Stores
#543	Locksmithing/Mobile	#544	Maid Service
#545	Mail Order Service	#546	Mailing Service
#547	Managing Personnel in a Small Bus.	#548	Medical Claims Services
#549	Men's Apparel	#550	Microbrewery
#551	Mini Blind Cleaning	#552	Mobile Auto Inspection
#553	Mobile Bookkeeping	#554	Mobile DJ
#555	Mobile Frozen Yogurt	#556	Mobile Restaurant
#557	Mobile Window Services	#558	Multi Level Marketing
#559	Multimedia Service	#560	Nail Salon
#561	Nanny Business	#562	New Interior Cleaning Service
#563	Newsletter Publishing	#564	Non – Alcohol Bar
#565	One Hour Photo	#566	Operating a 900 Number
#567	Packaging & Shipping	#568	Parking Lot Striping
#569	Party Goods Gift Shop	#570	Personal Shopping Services
#571	Personalized Children's Books	#572	Pest Control
#573	Pet Hotel & Grooming	#574	Pet Shop
#575	Pet Sitting	#576	Physical Fitness Center
#577	Pizzeria	#578	Pool Cleaning Repair
#579	Private Investigator	#580	Private Mail Box
#581	Professional Organizer	#582	Promotional Marketing

#583	Property Tax Consultant	#584	Public Relations Agency
#585	PVC Furniture	#586	Real Estate Investment
#587	Recycled Record Store	#588	Recycling Consultant
#589	Referral Service	#590	Religious Retail Service
#591	Restaurant Start	#592	Resume Writing & Career
#593	Salad Only Restaurant	#594	Sandwich shop/deli
#596	Secretarial Service	#597	Self Improvement Seminar
#598	Self Storage	#599	Seminar Promoting
#600	Senior Day Care	#601	Silk Plant Shop
#602	Smart Selling	#603	Software Retail Store
#604	Soup Bar	#605	Specialty Gift
#606	Specialty Travel & Tours	#607	Spin Art Clothing Store
#608	Sporting Goods	#609	Sports Memorabilia
#610	Standard Bus Forms	#611	Street Vending
#612	Surface Cleaning	#613	Sweats Only
#614	Computerized Tax Preparation Ser.	#615	Tee Shirt Shop
#616	Telephone Answering Service	#617	Temporary Help Services
#618	Transportation Service	#619	Thirty Minute Tune Up
#620	TV & Movie Production	#621	Unpacking Service
#622	Used Bookstore	#623	Utility & Telephone Bills Auditing
#624	Video Arcade	#625	Video Production Service
#626	Video Cassette Rental Store	#627	Wedding Planner
#628	Wedding Shop	#629	Welcoming Service
#630	Window Washing Service	#631	Women Apparel Shop
#632	Women's Accessories		

Each binder explains the following for each business: market, location, facilities, equipment, personnel, legal requirements, record keeping, taxes, financial, marketing, operations, start up.

3. International Self-Counsel Press Ltd. has developed a series of books dealing with How to Run a Profitable Business. The books discuss the ideas of defining goals for your business, legal issues, financial needs, marketing, personnel and some concerns that may develop with that particular business venture. The books in this series are the following:

Start and Run a Profitable...

- Bewsey, Susan. **Home Cleaning Business**, 1999. NS 1869
- Taylor, Monica and Richard. **Bed and Breakfast**. 1998. NS 1300 & 1242
- Gray, Douglas A. **Consulting Business**. 1995. NS 1255
- Foster – Walker, Mardi. **Gift basket Business**. 1995. NS 1273
- Dion, Jim & Ted Topping. **Retail Business**. 1998. NS 1308
- Braidwood, Barbara, Susan M. Boyce and Richard Cropp. **Tour Guiding Business**. 1996. NS 1366
- Matzen, Tom & Marybeth Harrison. **Coffee Bar**. 1997. NS 2126
- Bly, Robert W. **Mail Order Business**. 1997. NS 1363
- Hagan, Louise. **Office Service**. 1995. NS 1367
- Pruissen, Catherine M. **Home day Care**. 1999. NS 1270 & 2123
- Hynes, William G. **Craft Business**. 1999. NS 1360 & 482
- Franson, Barbara A. **Desk Top Publishing**. 1997. NS 1256
 - Cooper, Brian, Brian Floody & Gina McNeill. **Restaurant**. 2000. NS 1307, 1325, 1357, 1932, 504 & 1046
 - Gray, Douglas A. **Consulting Business**. 1999. NS 1255

B. AUDIO VISUAL

1. Magic Lantern Communications Ltd. Toronto, Ontario.

Marketing Series

This series shows that successful companies include international markets in their planning and that many businesses find it easier to expand overseas than in their home countries. There are 26 videos in the series; each 30 minutes in length. These videos could be useful in illustrating examples of different business ventures, importance of marketing or in explaining the importance of public relations.

Some to use in the classroom may be the following:

- a. The Fastest Game in Town: A Case Study of Advertising. NS1324
Focuses on key decisions that a marketer must make to develop effective advertising.
- b. Off and Running: A Case Study in Promotional Strategy. NS 1920
Considers how and why Santa Anna Race Track, a major sales promotion user, develops a variety of sales promotions.
- c. The Mouse That Roared. NS 1912
Focuses on Walt Disney Productions' definition of marketing: satisfying the needs and wants of a chosen consumer public.
- d. Driving Passion: A Case Study in Understanding Consumer Behavior. NS 1925
Demonstrates how the self-concept theory, Maslow's hierarchy of needs and other consumer theories can be used to explain buying behavior.
- f. Great Expectation: A Case Study on Marketing and Forecasting. NS 1510
Explore the planning and forecasting challenges facing Looking Good and Pizza Hop, both student ventures from University of California, and Laura Scudders, a snack food company.
- g. All The Right Moves: A Case Study in Product Strategy. NS 1916
Shows how Carushka, an entrepreneur, has developed and marketed an innovative line of dance and exercise wear.
- h. Just Another Oil Company: A Case Study in Public Relations. NS 1927
Shows how Atlantic Richfield Company uses public relations and publicity to build a favorable company image with a variety of targeted groups.
- i. "Tis The Season: A Case Study In Selling. NS 1928
Through the sales and marketing divisions of Lowry's, this program explores two key issues of selling: What the professional sales person is and does, and how the sales force is managed.

- j. Leader of the Pack: A Case Study in Pricing. NS 1926
Traces the development of a new motorcycle and how Yamaha Motorcycles determines prices for its products and services.
- k. What Makes Amos Famous: A Case Study in Channel Strategy. NS 1910
Illustrates how product's characteristics (in this case perishability of Famous Amos Chocolate Chip Cookies) Influence selection of distribution channels and describes how specific channels work to move the product from the producer to the ultimate consumer.
- l. Coming of Age: A Case Study in New Products and Brands. NS 1915
Shows how the Robert Monday's Winery brought a new product to market and what marketing decisions were used along the way.
- m. Jewels, Jeans, and Jogging Shoes: A Case Study in Retailing NS 1635
Illustrates retailing by examining the diverse mixture of stores in South Coast Plaza, a large regional shopping center in Orange County, California.

2. Magic Lantern Communications Ltd. Toronto Ontario.

It's Strictly Business Series

This introduction to business series includes relevant mini documentaries. They include the current role and issues of business, describes the impact of the changing business environment and focuses on selected fields in the business community. Includes interview with experts. There are 26 in the series. The following are some that may be useful in the classroom:

Pricing Products and Services NS 1741

Explains the importance of pricing relative to company profits; describes various pricing objectives, methods and strategies.

3. McLeod and Frank Corporate Catalysts. 2000.

The "Help Yourself" Video Series There are 4 Videos in the series.

So You want to Be in Business – An Introduction to Entrepreneurship.

This is an energetic program presenting a bird's-eye view of the life of an entrepreneur. It presents the areas of marketing, operations and people as a series of questions and situations. NS 2068

4. Mcleod and Frank.

Taking The Fear Out of Finance Series.

This series consists of five videos that provide in a light-hearted way, how to help yourself to profit. The five videos are:

- a. How to Read Financial Statements. NS 1975
 - reading between your bottom lines.
- b. Bookkeeping. NS 152, 943, 1235, 1907 & 1973
 - reducing the stress of shoebox management.
- c. Financial Forecast. NS 1971
 - sleep better at night knowing where you are going.
- d. Cash flow Forecast. NS 1974
 - gaining confidence about tomorrow by planning resources today.
- e. Financial Analysis. NS 1972
 - using hindsight to create foresight.

C. HUMAN RESOURCES

The Newsask Community Futures Development Corporation staff is ready, willing and able to assist where you require their support. Whether you need:

- To borrow some of the small business library resources,
- An answer to a small business question,
- Assistance with the development of your entrepreneurship project,
- A workshop that deals with small business – from how to get started to the various skill sets required to operate a successful small business. Call. The staff are willing to help.

If the type of assistance you require calls for an expert that is not resident at the Newsask Community Futures Development Corporation the staff will gladly help you arrange the support you require. The network resources of the Corporation are extensive and, more than likely, are available to Newsask Community Futures Development Corporation and consequently, to you.

D. MAGAZINES

Entrepreneur. Epinions Inc. USA. NS 2039

SaskBusiness. Sunrise Publishing Ltd. Saskatoon.

REALM. Da Pointe & Richardson Inc. Toronto.

Sympatico Netlife. Transcontinental Publishing. Ontario

Canadian Business. Canadian Business Media Ltd.

D. INTERNET RESOURCES FOR ENTREPRENEURSHIP

<http://www.cybf.ca> (Canadian Youth Business Foundation)

<http://realm.net/wayofthinking> (REALM magazine)

<http://www.bdc.ca> (Business Development Bank of Canada)

http://www.acoa.ca/english/index_frame.html (Young Entrepreneurs ConneXion – Seed Capital & Counseling Program)

<http://youth.hrdc-drhc.gc.ca/ythlink/sec4.shtml> (Human Resources Development Canada - Youth Link)

<http://www.cfee.org/en/rescatching.shtml> (Canadian Foundation for Economic Education)

<http://www.youthbusiness.com> (YouthBusiness.com)

www.cbasc.org/sask (Canada-Saskatchewan Business Service Center)

Aboriginal sites:

<http://abc.gc.ca> (Aboriginal Business Canada)

http://www.inac.gc.ca/ps/ys/youth4_e.html (First Nations and Inuit Youth Business Program)

<http://www.aybc.org> (Aboriginal Youth Business Council)

IX. GLOSSARY

Account-A statement of business transactions that tracks a company's assets, liabilities, and net worth.

Accountant-A professional who manages and analyzes business records.

Accounts Payable-A Company liability that represents amounts due for goods or services purchased on credit.

Accounts Receivable - Money due in to a business from clients and customers; outstanding invoices.

Accrual - A method of accounting that involves recording revenues and expenses when they occur, rather than they are actually received.

Advertising - Paid promotion of a business, usually in the form of telemarketing, fliers and posters, newspaper, radio, or TV advertisements.

Angel - A private investor who often has non-monetary motives for investing as well as the usual financial ones.

Assets - Tangible or intangible objects of value to its owner.

Audit - A formal study of accounts conducted by the Canada Customs and Revenue Agency to determine whether the taxpayer being investigated is paying appropriate taxes.

Balance - The value, negative or positive, of an account.

Balance Sheets - Paints a picture of the business's financial strength in terms of assets, liabilities and equity over a set period.

Bankrupt - The condition of a business that is unable to pay its bills. A business declared legally bankrupt may have its property confiscated by the courts and divided up among its creditors.

Bookkeeping- The procedure of keeping accounting records of a business's daily accounts.

Break – even point -The point at which expenses are equal to income. Beyond this point a company realizes a profit.

Broker - An insurance agent who represents many different insurance companies.

Browser - Software used to “surf” or browse the Internet.

Budget- A statement of expected income and expenses over a given period of time.

Business opportunity - Legal definitions vary; in its simplest terms, a business opportunity is a packaged business investment that allows the buyer to begin the business.

Business plan - A detailed list of goals set by the entrepreneur, describing the means and time frame by which to achieve them.

Capital - Money and assets available for business activities.

Cash flow - The amount of cash earned by, or available to, a business for investment, expenses, or expansion.

Compound Interest - The money and investor earns on interest that was earned by the investment in a previous period, enabling the investment to grow exponentially.

Consumer - A person or business that buys goods and services for its own needs, not for resale or for use in producing goods and services for resale.

Contract - A legal agreement between two or more parties specifying each party's responsibilities to meet determined business obligations.

Corporation - A business structure organized under state law and generally treated as a separate tax entity.

Copyright - An exclusive right granted by the federal government to the processor to publish and sell literary, musical, and other artistic materials. Honored for 50 years after the death of the author.

Cost - An expense; the amount of money, time, or energy spent on something.

Credit - The right side entry in a double – entry accounting system.

Credit Card - An account that allows carrying a debt indefinitely, as long as interest is paid to the account holder.

Creditor - A person who extends credit or to whom money is owed.

Customer service - The maintenance and servicing of a product once it has been sold; the act of keeping customers happy and loyal to one's business.

Database - Information (data), such as customer addresses, stored in a computer.

Debit - The left side entries in a double – entry accounting system.

Debt - Money owed to creditors.

Debt Capital - Funds or assets acquired by borrowing.

Debt ratio - the ratio of debts to assets.

Deficit - When expenses are greater than income: the opposite of surplus.

Demand - The desire for a commodity, together with the ability to pay for it; the amount consumers are ready and able to buy at all the prices in the market.

Demographics - Aspects such as the age sex, income, and household composition of a particular target market.

Depreciation - A loss of value due to use or age of a company 's material assets.

Dilution - The reduction of a stockholder's percentage of ownership in an enterprise, usually done by selling more common stock to other parties. Sometimes called watering the stock.

Diversification - A method of decreasing risk by spreading an investor's money among many different investments.

Electronic Storefront - A Web site set up as a store where consumers can see and purchase merchandise.

E- mail - short for electronic mail or messages sent between computers using the Internet.

Employee - A person hired by a business to work for wages or salary.

Employment insurance - A government administered plan to which can compensate for loss of income due to lack or loss of work.

Encryption - Code used to scramble information sent over the Internet.

Endorsement - Signature on the back of a cheque, rendering it payable.

Entrepreneur - Derived from the French *entreprendre*, " to undertake". Someone who is willing and eager to create a new venture in order to present a concept to the marketplace.

Equity - Total assets minus total liabilities equals equity or net worth.

Expenses - Money spent for goods or services.

Financial plan - An estimate of a company's future income and expenses, broken down weekly, monthly, or yearly.

Fiscal period - An accounting period, usually consisting of 12 months, and most commonly used for tax purposes.

Fixed Costs - Business expenses that must be paid whether or not any sales are being generated; utilities, salaries, advertising, insurance, interest and rent. USAIIR

Flame - An angry e-mail sent in response to “Spam”, which is unsolicited e-mail hawking a product or service.

Gross - Total or entire amount before deductions, as opposed to net.

Incentive - Something that motivates a person to take action- to work, starts a business or study harder, for example.

Income - Money received for goods or services produced or as a return on investment.

Income statement - A formal financial document that serves as a summary of income and expenses and indicates profit or loss during a specified period of time.

Income tax - A tax imposed by the government, usually calculated as a percentage of income.

Infringe - to violate a copyright, trademark, or patent.

Insolvent - the condition of a business that is unable to pay its bills.

Interest - Payment for using someone’s money, expressed as a percentage per unit of time.

Inventory - The assets produced by a manufacturing business or the assets bought and sold for profit by a wholesaling or retailing business.

Invoice - A legal, itemized statement of goods and services sold (sales invoice) and purchased (purchase invoice).

Keystone - To buy an item wholesale and sell it for twice the wholesale price; to double one’s money.

Liability - An obligation to another party.

Lien - An interest of a creditor in any real assets or property as security for repayment of credit. A legal claim against property.

Limited Liability Company (LLC) - A hybrid business structure that combines tax advantages of partnership with liability protection of a corporation.

Line of credit - Short term financing usually granted by a bank up to a predetermined limit; debtor borrows as needed up to the limit of credit without need to renegotiate the loan.

Liquidate - The conversion of assets of cash.

Loan - Money that a lender gives to a person or company for the purpose of making income. Usually a loan carries a cost which is expressed as an interest rate.

Loss - A financial deficit. The result of income minus expenses; if negative, it is a loss.

Market - A set of consumers. A group of people interested in buying a product or service; any situation or designated location where trades occur.

Marketing - The activities involved in finding, accessing, and informing a market of a business in order to sell a product or service.

Merchandise - A Company's inventory of products.

Minimum wage - A legally specified minimum rate of pay for labor in specific occupations.

Net - final result; in business, the profit or loss remaining after all costs has been subtracted.

Networking - Interacting with other people and organizations for the purpose of making contacts and developing business opportunities.

Net worth - The value of a business after all expenses have been deducted.

Newsgroup - an on-line discussion group focused on a specific subject.

Niche - A small market segment, often isolated from competition by degree of specialization or size.

Operating costs - Costs created by the production of business products or services.

Overhead - The fixed costs of operating a business. They often include rent and lease payments.

Partnership - Business association of two or people. There are two types of partnerships: general and limited.

Patent - Federal government grant to an inventor giving exclusive rights to an invention or process for 20 years from date of patent application filing.

Profit - The financial gain realized by doing business. The result of income minus expenses; if positive, it is a profit.

Profit margin - The sale price minus the total costs.

Retail - The selling of goods or services to the end user.

Revenue - Money earned by a business from sales of products or services.

Risk - The chance of loss.

Sole proprietorship - A business firm owned by only one person and operated for his or her profit.

Start-up capital - Money needed to launch a new venture during the pre-start-up and initial period of operation.

Supply - the amount of a product or service made available by sellers.

Tax - A percentage of a business's gross profit or of an individual's income, taken by the government support public services.

Tax evasion - Deliberate avoidance of the obligation to pay taxes; may lead to penalty or even jail.

Tax-exempt - The condition of an entity that is allowed to produce income sheltered from taxation.

Test the market - To offer a product or service to a very limited, yet representative, segment of consumers in order to receive customer feedback and improve the product or service necessary, before attempting to sell it in a larger market.

Venture Capitalist - An investor who provides early financing to new ventures – often technology based with an innovative product and the prospect of rapid or profitable growth.

Workers' Compensation Insurance - Covers medical and rehabilitation costs and lost wages for employees injured at work; required by law.

Working Capital - The amount of funds available to pay short term expenses. Seen as a cushion to meet unexpected or out-of-the-ordinary expenses. It is determined by subtracting current liabilities from current assets.

X. YOUTH BUSINESS EXCELLENCE (YBEX)

YBEX is an annual event hosted by the Newsask Community Futures Development Corporation, which recognizes the outstanding achievements of students who have an interest in small business.

YBEX is an opportunity for youth to start thinking about entrepreneurship and that “starting your own business” is a career option. Students in Grade 6 – 12 are encouraged to participate.

YBEX provides many benefits to the student. By participating students become aware of the issues that business owners face and broaden their horizons with respect to career choices.

YBEX allows students to enter the competition as individuals or in groups and is divided into two categories – Grade 6 – 8 and Grades 9 – 12.

YBEX is further divided in each of those two age groups by three different entry categories:

“Business Plan” – for those businesses that are not up and running but where a business plan has been created. The applicant(s) in this category does not need to intend to open the business that the plan has been created for.

“Business Venture” – for those businesses that are up and running and currently entering at least their second year of operation. This category allows a student who took the plunge to provide a comparative year over year analysis of their business rather than create a business plan for a second business for entry into YBEX.

YBEX is an opportunity to introduce entrepreneurship into the core curriculum.

YBEX is a banquet and awards ceremony that provides students with the opportunity to meet their peers from across the Newsask region.

YBEX is an opportunity to compete for awards and cash prizes.

YBEX is a partnership between our schools and Newsask Community Futures Development Corporation. We’re as close as your telephone – use the resources of our office; challenge our staff. We’re looking forward to working with you.

YBEX is important. At Newsask we’re passionate about entrepreneurship, about encouraging individuals to start their own business, at any age – and that includes **you!** We believe you’re never too young to start thinking about entrepreneurship. While it may not be for everyone, we would like **you** to make that choice! The youth in our region are very important to Newsask and YBEX is one of the many ways that we encourage small business – after all, today’s youth are tomorrow’s entrepreneurs.

YBEX is *Taking Care of Business!*

YBEX
