



Instructor: Haskin

Course: Entrepreneurship

Long Term Project Description

In this unit students will be teamed into groups to develop a business plan for a retail or service business that will be part of a new “mall.” Each group will be responsible for all portions of the comprehensive plan that covers everything including setting goals and writing a mission statement, developing the marketing plan, defining operating procedures and researching start-up costs and other financial information. Groups will use a variety of internet resources to develop their plan. When complete, groups should have a plan that can be presented for FBLA competition or even presented to potential investors. The plans should be professionally written and include a variety of graphic elements to make the plans informative, interesting and eye-catching.

Grade(s)

- 10-Tenth
- 11-Eleventh
- 12-Twelfth

Time: This project is a long-term project that can be completed in consecutive class periods or broken up and each section of the project completed as parts of other units. This project can be completed in 25-30 50 minute class periods.

Notes to the Teacher An alternative way to get students to take ownership of this project is to create a model “mall” in the classroom. This can be done using shoe boxes or mailing boxes as each student’s store. Students can decorate their boxes, create logos and design floor layouts for their business. Because of the use of Sketch, online 3D rendering program, this step can often be skipped or supplemented with the use of the advanced technology.

Course Standard 4

BMA-ENT-4

Apply fundamental business concepts that affect business decision making.

- 4.1 Explain how the Law of Demand, the Law of Supply, prices, and profits work to determine production and distribution in a market economy.
- 4.2 Explain how markets, prices, and competition influence economic behavior.
- 4.3 Give examples of how rational decision-making entails comparing the marginal benefits and the marginal costs of an action.
- 4.4 Model how business decisions are made while operating a successful business.
- 4.5 Assess opportunities for venture creation, global trends and opportunities, and feasibility of ideas for business venture.
- 4.6 Compare and contrast business activities with the impact on financial, human resources, risk, and strategic management.
- 4.7 Explore management styles and apply styles to personal traits of entrepreneur.

Course Standard 5

BMA-ENT-5

Explain and detail legal form of business ownership and the impact of government's role on business.

- 5.1 Compare and contrast legal forms of business ownership (sole proprietorship, partnership, corporation, S-corporation, LLC).
- 5.2 Analyze the four types of market structures in the United States economy: monopoly, oligopoly, monopolistic competition, and pure competition.
- 5.3 Describe the roles of government in a market economy and explain why government provides public goods and services, redistributes income, protects property rights, and resolves market failures.
- 5.4 Identify licenses, inspections, zoning laws, covenants, codes, and government regulations needed for type and location of business.
- 5.5 Compare the cost/feasibility of purchasing, leasing, or building.
- 5.6 Describe how households, businesses, and governments are interdependent and interact through flows of goods, services, and money and the impact on a local business from this interaction.

Course Standard 6

BMA-ENT-6

Understand and apply the basic economic principles and concepts fundamental to entrepreneurship.

- 6.1 Explain economic concepts of scarcity, price, opportunity costs, supply and demand, forms of economic utility created by business activities, distinguishing between economic goods and services, and explain the factors of production.
- 6.2 Defend why limited productive resources and unlimited wants result in scarcity, opportunity costs, and tradeoffs for individuals, businesses, and governments.
- 6.3 Explain how specialization and voluntary exchange between buyers and sellers increase the satisfaction of both parties.

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- 6.4 Compare and contrast current economic stability to determine what to produce, how to produce, and for whom to produce.
- 6.5 Predict the risk on future investing of the company based on new technology, health, education, and training of workforce.
- 6.6 Research and determine the impact of small businesses/entrepreneurship has on market economies—locally, regionally, and globally.
- 6.7 Compare and contrast business to business transactions and business to consumer transactions.

Course Standard 7

BMA-ENT-7

Develop a marketing plan to identify, reach, and retain customers in a specific target market.

- 7.1 Use market segmentation (behavioral, demographic, psychographic, and geographic differences) to define the target market.
- 7.2 Conduct market research to determine target market using primary and secondary data sources to locate information.
- 7.3 Establish a customer profile for specific business venture.
- 7.4 Compare advantages and disadvantages of different types of advertising mediums (social media, print, television, radio, free publicity, etc.).
- 7.5 Explain how to build community relations and provide examples of types of activities a business can explore to increase community involvement.
- 7.6 Create an advertising campaign to promote a business product or service.
- 7.7 Detail the importance of technology to business operations and performance.
- 7.8 Create a plan to increase market share considering the impact of competition, customer feedback, networking, selling on credit, etc.
- 7.9 Formulate a plan to maintain customer loyalty, response to customer concerns and ideas, and ability to track customers.

Course Standard 8

BMA-ENT-8

Analyze financial issues relating to successful business ownership.

- 8.1 Define seed money, profit, fixed assets, variable assets, short and long term assets, short and long term liabilities, depreciation, cost vs. revenue and pro forma.
- 8.2 Analyze financial statements (Income Statement and Balance Sheet) and interpret the meaning of the statement for the business.
- 8.3 Evaluate the financial condition of a firm based on business records.
- 8.4 Research inventory tracking methods to ensure accurate inventory to maximize business profit.
- 8.5 Compare and contrast common sources for funding a business.
- 8.6 Determine the best practice for keeping business records, technology influence of record keeping.
- 8.7 Identify taxes imposed on businesses (sales tax, unemployment tax, income tax, payroll tax, self-employment tax) and the impact on the business of expenses.
- 8.8 Identify insurance needed by businesses (worker's compensation, liability, life/key person, health, and automobile).
- 8.9 Explain how the state of economy can affect the success of a business.

Course Standard 9

BMA-ENT-9

Manage and operate a business (or simulate the management and operation) through daily tasks and activities of a small business.

- 9.1 Use technology to implement computer skills and applications to maximize business operations.
- 9.2 Create business goals, a vision, and a mission statement that will guide the operations of the business decisions.
- 9.3 Manage the image of the business by critiquing the logo, slogan, online, and social presence of the business.
- 9.4 Research safe business practices and overview of OSHA regulations for a particular career area and state the importance and legal rational for maintaining a safe business environment.
- 9.5 Explain product liability and the impact on the business.
- 9.6 Develop policies to ensure a productive work environment and strategies to motivate employees.
- 9.7 Explain importance of having documented policies and practices to operate a business.
- 9.8 Model the practice of operating a business based on plan of financial success.
- 9.9 Develop and document expectations for operating a business including but not limited to financial records, purchasing records, inventory controls, and technology use.
- 9.10 Simulate or operate small business daily operations.

Course Standard 10

BMA-ENT-10

Research, develop, and present a business plan.

- 10.1 Complete a needs analysis.
- 10.2 Plan the product or service for a business by identifying the resources and costs needed to produce a specific product or service.
- 10.3 Prepare a marketing strategy.
- 10.4 Describe the business venture in a company overview.
- 10.5 Describe the business environment and competition.
- 10.6 Identify financial considerations and project the total cost needed to start a business (i.e. start-up costs, ongoing operational expenses, and cash reserves).
- 10.7 Develop a financial plan for a business, including start-up costs and pro forma financial statements (Profit & Loss and Income Statement).
- 10.8 Develop an operations plan for a business.
- 10.9 Write an executive summary.
- 10.10 Present the business plan.
- 10.11 Critique the effectiveness of a business plan for a specific business.

UNDERSTANDING AND GOALS

Unit Understandings, Themes, and Concepts:

Students will learn all of the different aspects of operating a small business.

Students will understand the importance of professional writing for a particular audience – such a business plan for potential investors.

Students will understand the importance of planning

Students will understand the significance of situation analysis and how to apply this analysis to their plan

Primary Learning Goals: Essential Questions:

What does it take to be an entrepreneur?

What type of goods and services do consumers in our community need/ want?

How do consumers in our community obtain the goods and services they need/want?

What type of business will you open?

How will you organize the ownership of your business?

What are the legal/financial ramifications of your choice of business ownership?

What are the functions of management?

Who will operate your business and what are their specific duties and responsibilities?

What is a chain of command?

What procedures must you have in place in order for your business to succeed?

Who is your customer?

How might your customer spend their money elsewhere?

Who are your direct and indirect competitors?

How is your business different from your competitors?

What is a SWOT analysis?

What do you want consumers to know the most about your business? How will you tell them?

How can advertising be used effectively to reach your customer?

How much does it cost to start your business? When will you make your first \$1,000,000?

What does the saying “you must first spend money, to make money” mean? Is it true? What does the executive summary tell a potential investor?

How can you make your business plan and presentation informative and exciting for the audience?

BALANCED ASSESSMENT

<input type="checkbox"/>	Constructed Response
<input checked="" type="checkbox"/>	Combined Methods
<input type="checkbox"/>	Informal Checks

Assessment Method/Type:

<input type="checkbox"/>	Peer Assessment
<input type="checkbox"/>	Selected Response
<input type="checkbox"/>	Self Assessment

Assessment Title: Business Plan rubric & Business Plan Presentation Rubric (included in attachment)

Description/Directions: This project is a long-term project that requires the students to write a professional business plan. The plan has been broken down into smaller chunks so students do not get overwhelmed. Students need to be introduced to a topic via class discussion, lecture, text or sba.gov tutorial and then complete each worksheet portion by hand to create a “draft” of their plan. The teacher must keep the students conscious of the fact that they are writing a comprehensive plan, so students do not contradict themselves in different sections of the plan. Students may start assembling the parts of their plan at any time during the project to help maintain consistency. A rubric has been included for both the written plan and a presentation of the plan – this will help both the students and the teacher stay on track and know what is expected. To give the project the importance such a large and comprehensive project requires, students should be given the opportunity to display their final products, either through having the plans bound, participating in a special presentation day or even entering the plans into FBLA competition. Due to the variety of class times and scheduling from school to school, this project has been developed for wide interpretation of duration and scope. The project uses a “mall” that is placed in Lindale, GA - a small hamlet in NW Georgia – please alter this detail to fit the needs of your community.

Attachment – Supplemental Resource Title: Business Plan Project

Web Resources: www.sba.gov – excellent resource for both student research and free multimedia tutorials that can be used to teach the standards

UNIT PERFORMANCE TASK(S)

Performance Task Title: Business Plan Project

Description/Directions: see attached project

Rubric for Performance Task: see attached project

SEQUENCE OF INSTRUCTION AND LEARNING

Sequence of Instruction and Learning:

Introduce the project to students discuss the big picture of creating a mall or shopping center and how each business will play a role the success of this new development in the community.

Have the students analyze the community for needs and wants

Begin discussions about the various aspects of the plans and have students complete the worksheets for each of these aspects

Check for continuity – keep the students consistent with their plans as their parts come together to make a whole. This should be done at least at the end of each major rubric section.

Stress the importance of professionalism in their writing

Have students assemble all the parts into a comprehensive, cohesive plan.

Encourage creativity in the presentation of both the written plan and the live and/or multimedia presentation

Make the completion of this project something special



Congratulations! You have decided to start your own business in the newly developed Dragon's Mill Mall located in Southwest Georgia. I am sure your idea for a small business will be met with tremendous support from both consumers and vendors.

NORTHWEST GEORGIA'S PREMIERE SHOPPING EXPERIENCE

Becoming a small business owner is not an easy task. It requires lots of hard work and long hours, however, the freedom of being your own boss and the possibility for unlimited success make all the sacrifices worth it.

An important tool in becoming a successful small business owner is a business plan. Why write a business plan? Here are some reasons:

- To evaluate your business idea and make sure it will provide you the maximum opportunity for success and happiness
- To provide you with written guidelines for success in operating and managing the business
- To communicate your idea to potential financial investors

Your business plan will be used by many different stakeholders in your new business. If you are not using any outside financing, then the plan is for internal use and will help you with important decisions and keep you on track for success. If you need some outside financial assistance to get your operation off the ground, then your plan also serves as a "selling" tool to convince potential investors about the viability of your idea.

Over the next several weeks we will be developing all the necessary aspects of your business plan. We will breakdown all parts into manageable units and finally combine them all into a comprehensive plan. At the end of the course everyone will have a written business plan for their business and develop a presentation of their business to present to the class.

Ownership

Is your business a sole proprietorship, partnership, or corporation? What is the legal name of your business and who are the principal owners?

Corporation

A corporation, also known as a Limited Company, is a legal entity which is separate and distinct from its members (shareholders). Each shareholder has limited liability. A creditor with a claim against the assets of the company would normally have no rights against its shareholders, although in certain circumstances shareholders may be held liable.

Partnership

A partnership is a business, not incorporated, in which two or more persons combine their resources. A partnership agreement may specify the capital contributions to be made by each partner, the ratios in which partnership earnings and losses will be distributed, the management responsibilities of the partners, and the partners' rights to transfer or sell their individual interests.

Proprietorship

A proprietorship is a business owned by one person who is fully responsible for all debts and obligations related to his or her business. A creditor with a claim against a sole proprietor would normally have a right against all of his or her assets, whether business or personal. This is known as unlimited liability.

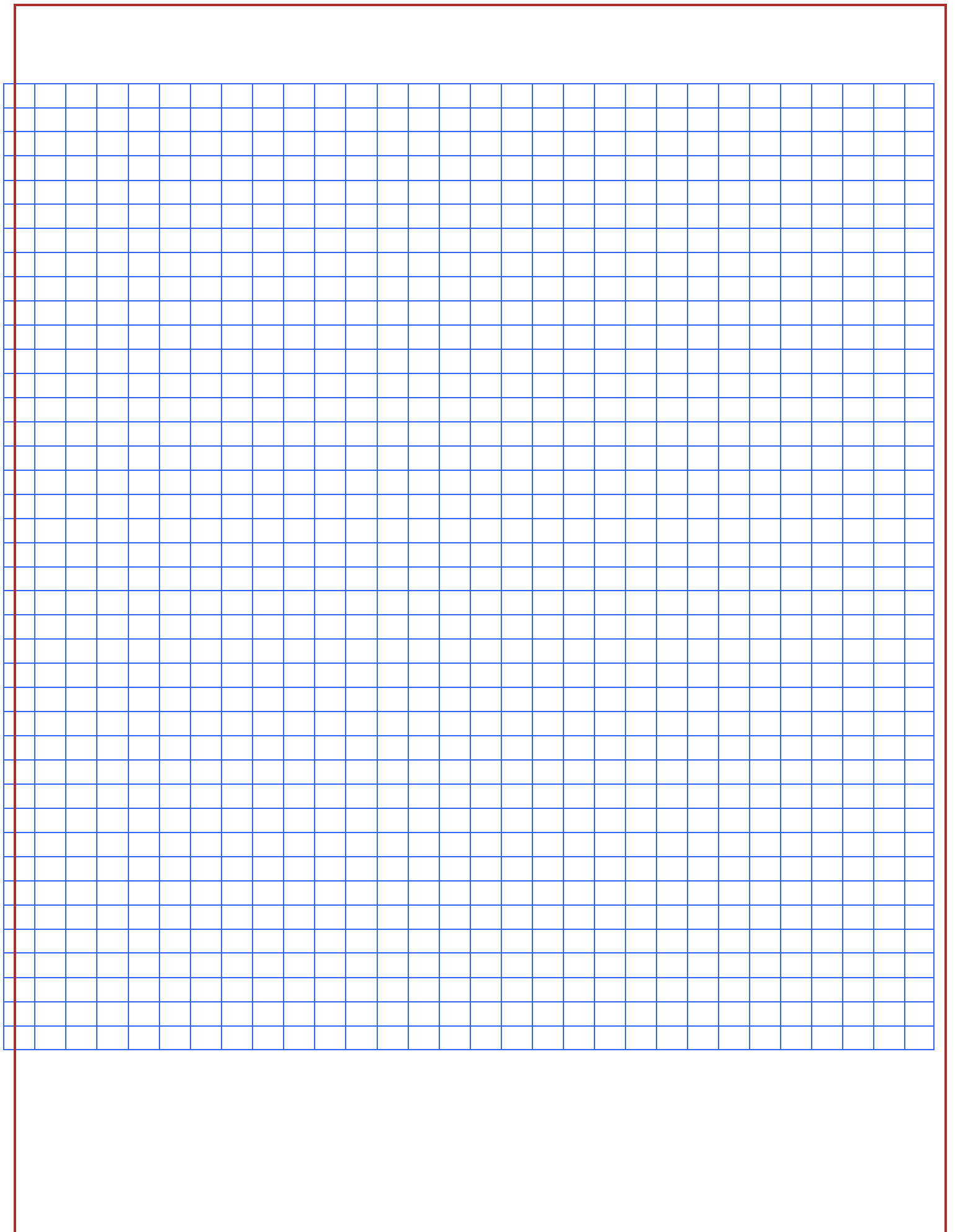
Limited Liability Corporation

The LLC is a relatively new type of hybrid business structure that is now permissible in most states. It is designed to provide the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership. Formation is more complex and formal than that of a general partnership.

The owners are members, and the duration of the LLC is usually determined when the organization papers are filed. The time limit can be continued, if desired, by a vote of the members at the time of expiration. LLCs must not have more than two of the four characteristics that define corporations: Limited liability to the extent of assets, continuity of life, centralization of management, and free transferability of ownership interests.

Sample Answer:

David's Books & More is owned by David Mowery and his wife, Emily Mowery. Both partners are equally involved in operation and management of the company. At present the business is structured as a Limited Liability Corporation under the laws of the state of

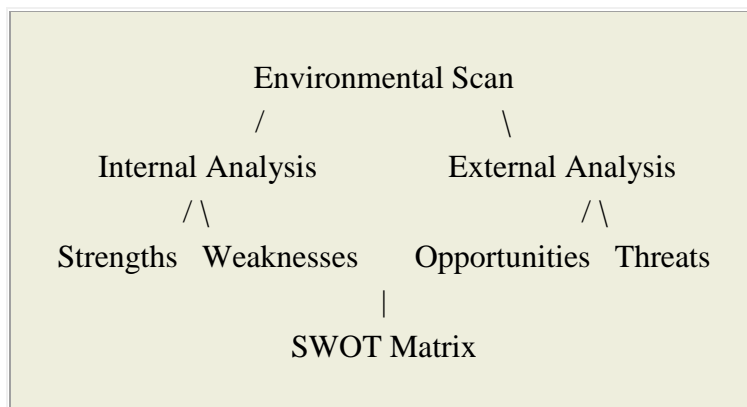


SWOT Analysis

A scan of the internal and external environment is an important part of the strategic planning process. Environmental factors internal to the firm usually can be classified as strengths (**S**) or weaknesses (**W**), and those external to the firm can be classified as opportunities (**O**) or threats (**T**). Such an analysis of the strategic environment is referred to as a **SWOT analysis**.

The SWOT analysis provides information that is helpful in matching the firm's resources and capabilities to the competitive environment in which it operates. As such, it is instrumental in strategy formulation and selection. The following diagram shows how a SWOT analysis fits into an environmental scan:

SWOT Analysis Framework



Strengths

A firm's strengths are its resources and capabilities that can be used as a basis for developing a competitive advantage. Examples of such strengths include:

- patents
- strong brand names
- good reputation among customers
- cost advantages from proprietary know-how
- exclusive access to high grade natural resources
- favorable access to distribution networks

Weaknesses

The absence of certain strengths may be viewed as a weakness. For example, each of the following may be considered weaknesses:

- lack of patent protection
- a weak brand name
- poor reputation among customers
- high cost structure
- lack of access to the best natural resources
- lack of access to key distribution channels

In some cases, a weakness may be the flip side of a strength. Take the case in which a firm has a large amount of manufacturing capacity. While this capacity may be considered a strength that competitors do not share, it also may be considered a weakness if the large investment in manufacturing capacity prevents the firm from reacting quickly to changes in the strategic environment.

Opportunities

The external environmental analysis may reveal certain new opportunities for profit and growth. Some examples of such opportunities include:

- an unfulfilled customer need
- arrival of new technologies
- loosening of regulations
- removal of international trade barriers

Threats

Changes in the external environmental also may present threats to the firm. Some examples of such threats include:

- shifts in consumer tastes away from the firm's products
- emergence of substitute products
- new regulations
- increased trade barriers

Your Business SWOT Analysis

Strengths (internal):

Weaknesses (internal):

Opportunities (external):

Threats (external):

Target Market

Industries can also be divided by market segments. Markets consist of potential buyers. It is useful to segment these buyers into various groups (market segments) based on their different wants, tastes, geographic locations, buying attitudes, buying practices, and/or demographics (age, gender, level of income, family size etc.). Dividing the industry into different segments can help you to better understand the potential markets for your products.

Who do the businesses within your industry sell products and/or services to? Divide the market into customer groups, highlighting the size and characteristics of those groups. For example, markets can be grouped by type of customer, geography, or other characteristics. Segment the markets on the basis that makes the most sense for your business. Identify all the possible market segments your business may attract.

Sample Answer:

The key market segments for books and media in the greater Rome area are residents with an affinity for reading and children who are currently in the school system. In particular, women between the ages of 18 and 54 are the most pivotal market segment. Demographic profiles conducted by the Publishers Clearing House Audits and Surveys division indicate that while men comprise almost half the market of book readers, 75% of all retail books purchases are made by women. Other key segments are DVD's and video games in which the typical customer is a 16 – 34 year old male.

A 1997 study commissioned by the Magazine and Bookseller Journal indicate that over 80% of all magazine buyers are between the ages of 18 to 54 and make over \$24,000 per year. Overall, 56% of retail magazine buyers are female and 44% are male.

Target Market

You have described the key market segments within your industry. Which of these customer groups or market segments will your business specifically target? You can define your target markets both by type of customer and by geographic region.

Target markets are segments or groups of potential customers, within the overall market, to whom a business wants to sell their products. For example, car manufacturers design and market cars specifically to meet the needs of different target markets such as women, families with children, families without children, etc.

Define your target market in terms of demographics, geography and lifestyles. Discuss their growth potential and their needs. Explain how your target markets may change during the term of the business.

Sample Answer:

Our major target market is the greater Rome, Georgia area and by extension, Northwest Georgia. Children and their parents are also a major target market as are retirees. Children will always need books the help in their educational development and current trends in multi-sensory learning will be addressed with our selections of DVDs and Video Games. These two product categories will also address the entertainment needs of the community.

Magazine titles will reflect the make up of the community and their interests. In addition to popular fashion, sports, news and celebrity oriented magazines; we will also stock titles focusing on outdoor activities, fishing, hunting, farming and ranching, forestry and regional activities. Although a lucrative market, David's Books & More will not stock any publications deemed as degrading toward an identifiable group.

Benefits:

Lined area for writing benefits.

Marketing

Marketing Communications

It is very important that a business identifies a key message to communicate to the target market. This message can be in terms of consumer benefits, business features or brand identity. The message then must be communicated. Once the main message or messages are identified, a business must decide - which is the best way to get their message to the consumer; messages can be delivered through advertising, sales promotion, public relations. Once the delivery mechanics are in place, a business must be very specific about which vehicles inside each category are to be used. Choosing the wrong message or the wrong vehicle could spell disaster. The target market could ignore, reject or even never see the message.

Marketing Message

Primary Message:

Secondary Message:

Financials

Start – up Requirements

Most people do not have the amount of money it takes to start a business from scratch. They typically borrow what they need from a bank or relative and pay back the loan as the business grows. It is very important that a business understand what amount of money they will need to get started. There are many variables that most people do not think about and can sometimes doom a business before it ever opens.

Fortunately, there are many resources available to businesses to help estimate the amount of capital it will take to even open the doors of their new enterprise.

You may use the attached worksheet or go online to the following link and complete the start-up estimation calculator. Print your results.

<http://www.businessknowhow.net/bkh/startup.htm>

Financial Projections

Financial projections are just that, projections or assumptions. A business should be able to estimate at least the first year's revenues and profits, if they have done enough research about expenses and market sales potential.

Making projections can be difficult because so much is unknown. Any business hoping to secure some upfront capital through a loan of some sort must be able to show the lender that the business has a profitable future. Lenders do not like to take chances on risky ventures – they want to lend you money and they want you to be successful.

Using Excel, make charts showing the first year sales, profits and cash flow projections. Make sure these assumptions are optimistic, yet realistic. Be able to identify growth, peak seasons (back-to-school, holidays, etc.) and slowdowns. Be able to justify your numbers through reasonable explanations. Use the proper chart that communicates what you are trying to say the best.

Print your spreadsheets/charts and save them to your folders, as you will be embedding them into the final draft of your business plan.

Business Plan Project Rubric

Evaluation Item	Not Demonstrated	Does Not Meet Expectations	Meets Expectations	Exceeds Expectations	Points Earned
Executive Summary Convinces reader that business is sound and has opportunity for success	0	1-5	6-10	11-15	
Company Description <ul style="list-style-type: none"> o Basic Description o Vision & Mission Statement o Legal form of ownership o Business Objectives o Location & Facilities 	0	1-5	6-10	11-15	
Industry Analysis <ul style="list-style-type: none"> o SWOT Analysis o Market Segments o Competitive Analysis 	0	1-5	6-10	11-15	
Marketing <ul style="list-style-type: none"> o Market Research o Target Market o Marketing Communications (advertising, sales promotion and public relations) 	0	1-5	6-10	11-15	
Operations <ul style="list-style-type: none"> o Organizational Structure o Staffing (job descriptions, compensation & benefits, sample schedule) 	0	1-5	6-10	11-15	
Financials <ul style="list-style-type: none"> o Start-up costs o Estimated sales & Profits o Cash flow projections 	0	1-3	4-7	8-10	
Clear and concise project with logical arrangement of information and a consistent theme Correct grammar, punctuation, and spelling	0	1-3	4-7	8-10	
Creativity	0	1-2	3-4	5	
Total Points					/100
Penalty Points Late Project, Plagiarism					-
Excellence Points Going over and above the expectations of the project					+
FINAL POINTS					

Comments:

Business Plan Project Presentation Rubric

Evaluation Item	Not Demonstrated	Does Not Meet Expectations	Meets Expectations	Exceeds Expectations	Points Earned
Project Description Student(s) describe project development and strategies	0	1-5	6-10	11-15	
Explanation of Assumptions All projections and assumptions are explained and supported	0	1-5	6-10	11-15	
Risk Analysis Potential adversities are analyzed and planned for	0	1-5	6-10	11-15	
Complete All aspects of project are covered	0	1-5	6-10	11-15	
Questions Student(s) demonstrate the ability to effectively answer questions about their business	0	1-5	6-10	11-15	
Thoughts and statements are well organized and clearly stated	0	1-3	4-7	8-10	
Presenter(s) is professional, poised, and uses good diction	0	1-3	4-7	8-10	
Creativity	0	1-2	3-4	5	
Total Points					/100
Penalty Points Late Project, Plagiarism					-
Excellence Points Going over and above the expectations of the project					+
FINAL POINTS					

Comments: