

6.2 Develop a Business Plan

Related Area(s) Systems Thinking / Resource Management

Lesson Objective(s):

Students will identify the components of a business plan.

Students will work in groups to systematically develop a business plan and identify the management strategies for time, money, materials, and personnel and explain the need for a systematic approach.

Outcome Goal(s): *What the student will be able to do by the end of the lesson.*

Students will determine that in addition to hard work a successful entrepreneur has a business plan. Student through writing the business plan will explore career opportunities.

Instructor Preparation Checklist

☐	Supplies and Tasks	Materials and Resources
	Media & Audio	Power Point Presentation
	Websites	
	Read/Review	
	Field Trips/Co-op/Outings	
	Supplies Needed	Internet connection,
	Print/Copy/Laminate	Business Plan Guide
	Miscellaneous	Rubrics, worksheets

Additional Notes:

Warm Up- Why have a business plan?

Description: Background: A business plan is a formal statement of business goals, reasons they are attainable, and plans for reaching them. It may also contain background information about the organization or team attempting to reach those goals. A business plan conveys the organizational structure of your business, including titles of directors or officers and their individual duties. It also acts as a management tool that can be referred to regularly to ensure the business is on course with meeting goals, sales targets or operational milestones.

1. Ask students if they know anyone who has started a business.
 - a. What type of business?

- b. How did they come to own a business?
 - c. What are some of the qualities you notice about this person who has a business?
 - d. Do you think the people who own a business are planners?
2. Next ask students what they think it takes to operate a successful business? (List the items on the board as students express their thoughts)
 3. Explain to the students that most successful businesses have a plan.
 4. Have the students read the article 6.2-A Business Plan) *Why is Planning an Important Step in Starting a Business?* Ask the students to turn and talk to their neighbor to describe why planning is important.

Purpose/Key Skills: Determine the importance of developing a business plan.

Notes/Vocabulary: business plan

Materials: white board and markers, information sheet 6.2-1

(1)Why do Some Businesses Fail?

Description: The Main Causes of Business Failure. The poor management of cash flow is the main reason that small businesses fail. It is possible to have a paper profit but still have problems simply because there is insufficient cash flow to pay creditors.

1. Ask students to go on line and find businesses that have recently failed or have been identified as being jeopardy.
2. Have the students report out their findings and list the reasons for failure on the on the board.

According to Wikipedia: Businesses can fail as a result of wars, recessions, high taxation, high interest rates, excessive regulations, poor management decisions, insufficient marketing, inability to compete with other similar businesses, or a lack of interest from the public in the business's offerings. Some businesses may choose to shut down prior to an expected failure. Others may continue to operate until they are forced out by a court order.

Purpose/Key Skills: Provide student with information as to why some businesses close.

Notes/Vocabulary: foreclosure, court order Internet access, white board

Materials:

(2) Meet an Entrepreneur

Description:

1. Find a successful entrepreneur in your area and invite this business person to address the class about the importance of developing a business plan or show a YouTube video(s) outlining why it is important to have a business plan.
<https://www.youtube.com/watch?v=59J6xUizDmE>
2. Make sure the students are prepared with questions to ask the business person.

Purpose/Key Skills: Develop an understanding of the importance of developing a business plan

Notes/Vocabulary: small business

Materials: internet connection, access to YouTube,

(3) Lecture/Activity- Develop a Business Plan

Description:

1. Explain to the students that they will divide into their groups that were developed during the Entrepreneur Activities, when they decided upon a business.
 2. Explain that now we are at a point where they will write a business plan around the business their group decided to open. (groups may change businesses if they want)
 3. Distribute Information Sheet 6.2-B.
 4. Distribute Information Sheet 6.2-C. Take time to preview the guide with the students.
 5. Use the (teacher power point) to present to the students to further define the business plan.
 6. Explain to the students that each group will be making a presentation of their business plans. Each group will prepare a power point presentation summarizing each component of the plan. (Student Power Point Template) found on USB Drive.
 7. Students will evaluate each other (Team Assessment Rubric 1)
 8. Teacher will evaluate the business plan and presentation according to the (Business Plan Rubric 2)
 9. Preview the rubrics to help students understand the expectations of this project.
-

Purpose/Key Skills: The business plan project provides students with the opportunity to make decisions and explore all types of ideas related to developing their business.

Notes/Vocabulary: Rubric,

Materials: Information Sheet A and B, Business Plan Guides 6.2-C, Rubrics 6.2-D, 6.2-E, & 6.2-F teacher power point, Business Plan Student Template, Business Plan Excel Spreadsheet

Formative Assessment

□	Skill Description and Assessment	Notes
	Monitor the groups as they progress in the develop of their plans	

Reteach and Supplemental Materials

Concept	Lecture/Activity
Investigate a business	Have students investigate a business for which they'd like to work. Describe the history of the business, goals, product, voice, revenue, marketing strategies, and why business is successful)

References:

- <https://www.sba.gov/>
- <https://ashland.kctcs.edu/media/documents/workforce-solutions/example-business-plan--private-investigator.pdf>; (Sample Plan)
- business_plan.pdf 62.71 KB (Business Plan Directions)

The following documents are found in A Business Plan Guide but are made available in the lesson plan for planning purposes.

Business Plan Group Assignment

Introduction:

You and your team will be preparing a business plan. The plan will help you to discover all kinds of ideas for starting a business. It is a series of components to help you visualize the details necessary to be successful in business.

Why develop a plan?

The process of making choices is an important reason for anyone to learn how to write a business plan. It is fun to think of yourself as a business owner, to think about your successes and to express your ideas. The business plan is a real life opportunity for you to learn about a career. The practice of business planning is an experience important for the learning process.

The assignment:

1. The team will develop a business plan using the nine components and the Business Plan Guide.
2. Each student must play a role in the development of the plan.
3. The group will prepare and present their business plan to the class using the business plan ppt. template or other as approved by the teacher.
4. Each team member will complete the Team Assessment Rubric
5. The teacher will evaluate the business plan and presentation according the Teacher Presentation Rubric.
6. Your Business Plan and student assessment rubric are due the day of your presentation

If you don't have an idea for a business here are some ideas:

Child Care Center
Hot Dog Stand
Shopping service for seniors
Pet sitting
Delivery Services
House Cleaning Services
Computer service business
Musical Group
Ice Cream Business
Travel Services
Manufacturing a product
Jewelry Making

Business Plan Overview

From the Entrepreneur activities, the team should have brainstormed a product or service of which you want to develop a business. Listed below are the components that must be included in your business plan followed by a Business Plan Preparation Guide. The guide contains a great deal of information to assist you in the preparation of your plan.

1. Cover Page
2. Table of Contents
3. Executive Summary
4. Business Description
 - A. Mission Statement
 1. Type of Business
 2. Name of Business
 3. Location
 4. Product Description
 5. Company Positioning
 6. Pricing Strategy
5. Market and Industry Analysis
 - A. Customer Profile
 - B. Market Segment
 1. Target Market and Demographics
 2. Competition
6. Sales and Marketing
 - A. Method of sales
 - B. Advertising and Promotion
 - C. Slogan
 - D. Character/Spokesman
7. Management
 - A. Ownership
 - B. Team
8. Finance
 - A. Operating Expenses
 - B. Capital Expense Requirements
 - C. Cost of Goods (Products and Services)
9. Risk and Rewards
 - A. Risks take
 - B. Rewards Gained

TEAM ASSESSMENT RUBRIC

Team completes the rubric together

Rate your team on each of the following 14 characteristics. Circle the number in the column that best fits with your team. Total each column, and then total the four column scores to generate your team score.	Strongly Agree	Mostly Agree	Mostly Disagree	Strongly Disagree
1. We have a clear sense of purpose	1	2	3	4
2. We agree on the process for completing the business plan.	1	2	3	4
3. Team members support each other	1	2	3	4
4. Team members each do their fair share of the work.	1	2	3	4
5. We have access to the resources we need	1	2	3	4
6. We effectively make decisions.	1	2	3	4
7. We communicate openly on the team	1	2	3	4
8. We effectively resolve conflict	1	2	3	4
9. We address problems within the group	1	2	3	4
10. We understood the expectations of this project	1	2	3	4
11. We support each other	1	2	3	4
12. Our team achieved the goals and objectives.	1	2	3	4
13. We know how the team will be evaluated.	1	2	3	4
14. We each feel good about being a part of this team.	1	2	3	4

Column Totals _____

Written Business Plan Rubric

Student(s):

Written Business Plan Rubric Scoring Scale Each section will be graded and be worth 10 point. Full explanations and necessary details must be included to receive the full 10 points.	SCORE
Cover Page All information present, including: <ul style="list-style-type: none"> • Business name • Company logo (optional) • Name(s) of the owner(s) • Date 	
Table Of Contents <ul style="list-style-type: none"> • Includes each major section. • Includes page numbers. • Organized and neat. 	
Executive Summary <ul style="list-style-type: none"> • Type of ownership • Management experience • Organizational structure 	
Business Description <ul style="list-style-type: none"> • Mission Statement <ul style="list-style-type: none"> ◦ Goals and objectives • Name of business basic information • Type of business • Location • Product Description-(mailing address, phone number, website, email, etc.) • Legal form (partnership, corporation, etc.) - be specific • Company Positioning • Pricing Strategy 	
Market and Industry Analysis <ul style="list-style-type: none"> • Customer Profile • Market Segment <ul style="list-style-type: none"> ◦ Target market and demographics ◦ Competition 	
Sales and Marketing <ul style="list-style-type: none"> • Method of sales • Advertising and Promotion • Slogan • Character/Spokesman 	
Management <ul style="list-style-type: none"> • Ownership • Team 	
Financial Plan <ul style="list-style-type: none"> • Operating expenses • Capitol expense requirements • Cost of goods (Product or service) 	
Conclusion <ul style="list-style-type: none"> • Risks taken • Rewards Gained 	
Structure <ul style="list-style-type: none"> • Font size 12 • Double spaced • 1" margins • No typographical errors • Spelling, grammar, sentence structure 	
Business Plan Score: Oral Presentation Score:	
Notes:	

Oral Presentation Rubric : Business Plan

Student(s) Name: _____

TOTAL SCORE:

CATEGORY	Exceeded Expectations 4	Met Expectations 3	Met Some Expectation 2	Did not meet expectations, needs practice. 1
CONTET	Shows a full understanding of the topic. Demonstrates material insight with new ideas.	Shows a good understanding of the topic with detail.	Shows a good understanding of parts of the topic, conveys connections.	Does not seem to understand the topic very well.
PREPAREDNESS	Prepared and has obviously rehearsed, is well organized.	Prepared but might have needed a couple more rehearsals.	Somewhat prepared, but it is clear that rehearsal was lacking.	Does not seem at all prepared to present.
VISUALS	Presents visuals that present a vast and complete representation of material	Presents adequate visuals to support presented information	Presents some visuals but does not support information adequately	Presents little or no supporting visuals
SPEAKS CLEARLY	Speaks clearly and distinctly all (100-95%) of the time and uses proper terminology.	Speaks clearly and distinctly all (100-95%) the time and uses proper terminology	Speaks clearly and distinctly most (94-85%) of the time and uses very little terminology.	Often mumbles or cannot be understood OR does not use proper terminology.
POSTURE & EYE CONTACT	Stands up straight, looks relaxed and confident. Establishes eye contact with everyone in the room during the presentation.	Stands up straight and establishes eye contact with everyone in the room during the presentation.	Sometimes stands up straight and establishes eye contact.	Slouches and/or does not look at people during the presentation.
ENTHUSIASM	Facial expressions and body language generate a strong interest and enthusiasm about the topic in others.	Facial expressions and body language sometimes generate a strong interest and enthusiasm about the topic in others.	Facial expressions and body language are used to try to generate enthusiasm, but seem somewhat faked.	Very little use of facial expressions or body language. Did not generate much interest in topic being presented.
SUBJECT KNOWLEDGE	Able to accurately answer almost all questions posed about the topic with substantial information and material.	Able to accurately answer most questions posed about the topic.	Able to accurately answer a few questions posed about the topic.	Unable to accurately answer questions posed about the topic.
ATTIRE	Business attire, very professional look.	Casual business attire.	Casual business attire, but wore sneakers or seemed somewhat wrinkled.	General attire not appropriate for audience (jeans, t-shirt, shorts).