

Section 2: Entrepreneurship

Marketplace for



Creativity • Problem Solving • Innovation

**Help Your Students Plan
Their Business Today!**

Pages 2-1 to 2-16

www.MarketplaceForKids.org

Section 2: Entrepreneurship

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How To Spot An Entrepreneur

Resource: ND Entrepreneur Hall of Fame Inductees (Entrepreneur Awards)

Web Site: www.innovators.net

Entrepreneurs have the creativity, energy, drive, and fortitude to make things happen in the world of business, public service, and philanthropy.

Entrepreneurs take risks hoping that the risk will pay off. Entrepreneurs are those who create and grow enterprises.

Are you an entrepreneur? How do you think and what do you do? What sets you apart from others? How do you contribute to the health and growth of your community?

Activity #1: Researching North Dakota Entrepreneurs

In this introduction activity students will:

1. Learn the definitions of entrepreneurs and entrepreneurship.
2. Use the Internet to research North Dakota entrepreneurs.
3. Identify and interview local entrepreneurs.

Step 1

Teachers, please make these definitions available to your students. Read it together and help them understand any vocabulary unfamiliar to them.

There are six types of entrepreneurs

Aspiring Entrepreneurs – Those who, including young people, are attracted to the idea of creating enterprises.

Growth Entrepreneurs – Those who are motivated to develop and expand their businesses that create jobs and wealth.

Lifestyle Entrepreneurs – Those who create enterprises to supplement their incomes.

Serial Entrepreneurs – Those who go on to create several growth businesses.

Social Entrepreneurs – Those who create and grow enterprises or institutions that are primarily for public and community purposes.

Survival Entrepreneurs – Those who resort to creating enterprises to supplement their incomes.

Entrepreneurship – The process through which entrepreneurs create and grow enterprises. This process includes four critical elements: opportunity, idea creation, venture creation and operations, and creative thinking.

Entrepreneurial Communities – Communities where there is significant economic and social entrepreneurial activity and where there is an effective system of entrepreneurship development.

Entrepreneurship Development – Refers to the infrastructure of public and private supports that facilitate entrepreneurship.

Entrepreneurs have:

- 1. The creativity and perception to spot an opportunity overlooked by others.
- 2. The drive and determination to marshal their resources (tangible, financial, human or intellectual)
- 3. The determination to initiate the entrepreneurial venture.

Step 2

Go to www.innovators.net and link to the Hall of Fame site. Read about these people: **George Bull, James Seifert and the Reverend August Hoeger.**

What opportunities that were overlooked by others did each see and decide to change?

What kinds of resources did each need to gather before they could begin the venture?

Activity #1 Researching North Dakota Entrepreneurs, Continued...

Write a brief summary of your research. See examples below.

North Dakota Entrepreneurs

- A. Entrepreneur's name and the opportunity he or she recognized:
George Bull saw the opportunity to make a new food product out of wheat.
- B. What are some of the resources the entrepreneur needed to gather?
He needed to perform many experiments on the raw products and improve his product until he was satisfied. He also needed a new, catchy name for the product, someone to design and make the cereal boxes and a way to get the new product to the grocery stores.

1. What is the entrepreneur's name and the opportunity he or she recognized?

2. What are some of the resources the entrepreneur needed to gather?

3. How did he or she go about finding resources?

4. What are some of the obstacles this entrepreneur had to overcome?

5. What are some of the personal qualities, skill abilities and education this person possessed?

Activity #2: Creating an “Entrepreneur Hall of Fame” Bulletin Board

Step 1

Review the definition of an entrepreneur:

Definition: Entrepreneurs have the creativity, energy, drive, and fortitude to make things happen in the world of business, public service, and philanthropy. Entrepreneurs take risks hoping that the risk will pay off. **Business Entrepreneurs** plan for monetary profit. **Social Entrepreneurs** plan for a healthier community.

Step 2

Students will list local business leaders, new business owners or social entrepreneurs who fit the definition.

Step 3

Students will choose an individual whom the class would like to interview.

Step 4

Student(s) invite the individual to visit the classroom. The student(s) should prepare the guest by outlining the purpose of the interview and summarizing possible student questions.

Step 5

Students conduct the interview and use the information to write a short biography of the entrepreneur similar to those printed on the web site.

Step 6

Individual student teams may then choose to conduct additional interviews by mail or in person as independent research projects for display at Marketplace for Kids.

Step 7

Feature entrepreneurs on your “Entrepreneur Hall of Fame” bulletin board.

Creating an “Entrepreneur Hall of Fame” Bulletin Board, Continued...

Sample Interview Questions: *(Please modify these questions as needed).*

1. Where did you grow up? What kind of work did your parents do?

2. How did you become interested in this type of business/service? Did you always want to be a?

3. Why does our community need a business/service like yours? How did you know that we needed this type of business/service?

4. What kinds of resources did you need to gather before you could begin your business/service? Which were the hardest to find and did anyone help you?

5. What were some of the early challenges in starting your venture? Who was the biggest help in overcoming those challenges?

6. How has your business/service changed over the past few years? What do you think caused the changes?

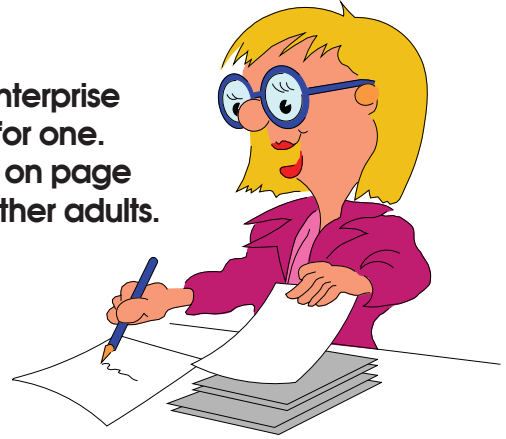
7. What are your future plans for your business/service? What trends do you foresee that may affect your business/service?

8. What advice would you give someone who wants to start a new business/service?

Young Entrepreneurs

Several of your students may already be operating a profit generating enterprise or have an idea for one. At **Marketplace for Kids**, we are looking for innovators in the various areas of **Kid Biz** to show others who attend and what opportunities exist. Examples include: child care, pet care, lawn care, hobbies that turned into businesses, selling on the Internet, or profit making 4-H projects. **Marketplace for Kids** provides a forum for these young entrepreneurs to exchange ideas and develop contacts.

Students who are not already operating their own enterprise may catch the 'business bug' by developing plans for one. Ideas could come from the list of kid business ideas on page 2:12, the yellow pages, or consultation with you or other adults.



Eight Reasons To Do A Business Plan:

1. It will force you to take a good look at the business.
2. It can be used as a feasibility study or help to continue success.
3. It is a good tool for better management.
4. It helps communicate your ideas.
5. It helps you move from “reactive” to “pro-active.”
6. It points everyone in the same direction.
7. It helps identify opportunities.
8. It focuses attention on important questions.



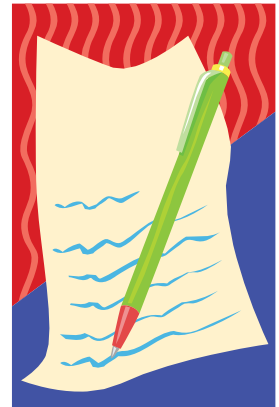
**Present Your Business Ideas at
a Marketplace for Kids Education Day!**

Outline of a Start-up Business Plan

Cover Page

Table of Contents

- Section I.** Executive Summary
- Section II.** Background Information
Personal Information
Business Concept
- Section III.** Description of Products/Services
- Section IV.** Management Structure & Organization
- Section V.** The Marketing Plan
Industry Description
The Market
Competition
Marketing Strategies
- Section VI.** The Financial Plan
Investment Required for Start-up
Cash Flow Projections
Summary of Financial Needs
- Section VII.** Conclusion: The Feasibility Statement
- Section VIII.** Supporting Documents



How To Use Your Business Plan

- ❖ As a feasibility study.
- ❖ As a benchmark to track performance.
- ❖ As a reminder of your goals.
- ❖ As a means for assigning priorities.
- ❖ As a financing proposal.

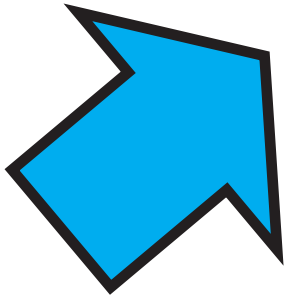


L E V E L

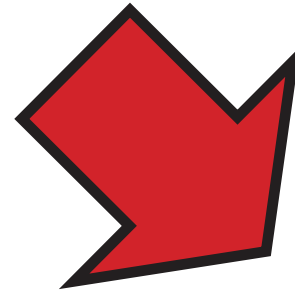
"Helping entrepreneurs reach the next level of success"

Get the Buzz on Biz!
For more information on the
NxLevel Guide
For enterprising youth, go to
www.nxlevel.org

The Role of Planning



Plan
(prepare for the future)

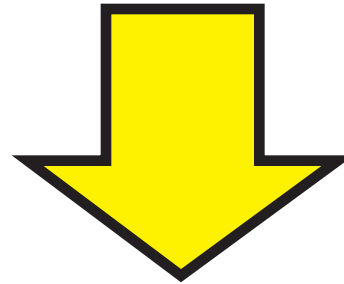


Evaluate
(explain variances)

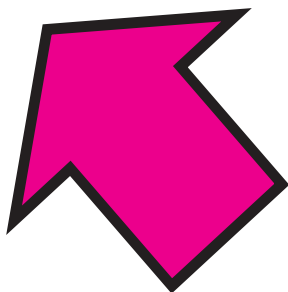
Act
(implement the plan)



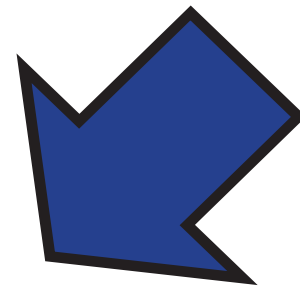
Analyze
(compare results)



Results
(something happens)



Record
(measure the results)



Outline of Start-Up Business Plan, Continued...

Planning Terms

❖ Mission Statement

The organization's purpose or reason for being. A Mission Statement should describe the organization's major areas of interest, the scope of its intended actions, the basic market needs it intends to satisfy, and its primary values.

❖ Goals

Goals are broad statements of organizational purpose and intentions. They further define the mission.

❖ Objectives

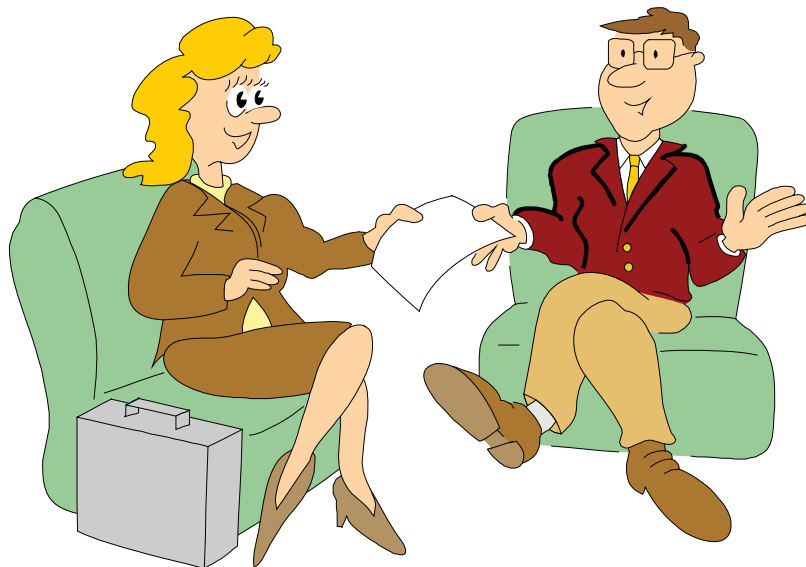
Objectives are facts established to further explain the steps in obtaining a specific goal.

❖ Organizational Policy

An Organizational Policy is established to help managers determine objectives and to formulate, implement, and control strategies.

❖ Strategies

Strategies are long-term plans or methods for accomplishing objectives and goals.



Tips for Successful Planning

- ❖ Believe planning is important.
- ❖ Commit time and energy.
- ❖ Involve everyone.
- ❖ Have realistic expectations.
- ❖ Be open to discovering “disappointing” news and to making adjustments.



119 WAYS FOR KIDS TO MAKE MONEY

The opportunities for kids to go into business for themselves or with others are just about endless.

SERVICES:

1. Errand/delivery service
2. Gift service, you do the shopping
3. Organizer, messy people need your help organizing closets, cupboards, etc.
4. Ironing service
5. Bike tune-up service
6. Party services, tea parties, theme parties
7. Photography, weddings/receptions/parties
8. Videotaping, weddings/receptions/parties
9. Find a babysitter, sitter directory
10. After-school child care, escort younger children to and from school
11. Elderly care service, run errands, write letters
12. Flyer distributor
13. Trash can/recycling service, carry cans to curb
14. Boat storage
15. Assemble products, bikes, swing sets
16. Recharge batteries
17. Develop kids page in hometown paper
18. Bait shop
19. Kids to Kids Childcare
20. Tile designing, tiles decorated for home decor
21. Pet sitting
22. Coat check service for community events
23. Event planning, birthday parties and family celebrations such as family reunions

CLEANING:

24. Cleaning, general housework
25. Cleaning service, cupboard tune-up
26. Shoe and boot service
27. Deep cleaning service
28. Window washing
29. Pool/hot tub maintenance
30. Storm cleanup
31. Power washing service, farm equipment, boat and RV cleaning
32. Complete car wash and wax
33. Garage cleaning
34. Commercial cleaning
35. Aquarium service, cage and stall cleaning, doggie doo cleanup
36. Pet grooming
37. Cleaning, painting lawn furniture
38. Clean and paint tools, paint farm equipment

YARD AND GARDEN WORK:

39. Lawn care, landscaping, garden weeding, hoeing, watering service, indoor and outdoor, lawns, plants, trees
40. Starting plants



119 Ways For Kids To Make Money, Continued...

41. Fresh flowers and herbs
42. Fresh produce
43. Leaf removal
44. Snow removal
45. Firewood, chop, split, deliver
46. Outdoor painting, sanding, priming, window glazing
47. Curb painting
48. Mailbox doctor
49. Package dried manure
50. Herbal greenhouse
51. Fast yard care, a service that is quick clean up for folks expecting company

RETAIL SALES:

52. Fads and collectibles
School spirit memorabilia
53. Bumper stickers/buttons
54. Specialty pets
55. Personal care items
56. Locker in a bag
57. Favorite books, games ,videos, used shop
58. Balloons, stress relievers
(flour filled balloons)

FOOD:

59. Healthy lunches to go, fitness foods collect rose hips for health food store
60. Mobile sweet shop, cakes for kids, food novelties & gifts, home bakery, candy for kids
61. Cookbook (prepare, publish and sell a cookbook using the favorite recipes from your cooks at school, teachers, and students)

62. Lemonade stand, beverages at auctions
63. Hot drinks at winter events
64. Tailgate, hot dog stand
65. Ice cream parlor
66. Catering
67. Pick chokecherries, other fruits, sell to jelly makers
68. Pick your own berry fields
69. Family fall festival on farm or ranch, sell pumpkins, squash, gourds, corn

CRAFTS:

70. Handmade jewelry
71. Keys and chains
72. Candles
73. Crafts from nature
74. Toys and puppets
75. Wreaths; twisted twig type
(base and decorated), collect pine cones
76. Buttons and badges, convention registration, type name tags
77. Greeting cards and stationery
78. Yard cards and signs
79. Calligraphy
80. Design clothing, ponytail holders
81. Dried wild flowers, cattails, cut for dried, pollen for pancakes, milk weed for pillows
82. Basket weaving, slough grasses
83. Make picture frames
84. Catnip filled cat toys
85. Flower pictures, flattened flowers
86. Collect wild flower seeds
87. Recycled paper cards and stationery
88. Scented soaps
89. Custom designed T-Shirts

119 Ways For Kids To Make Money, Continued...

YOUR SPECIAL TALENTS:

90. Disc jockey
91. Tutor foreign language, computer, reading, math, English
92. Barn dances
93. Teach a hobby
94. Make studying fun, provide a service
95. Paint murals, children's rooms
96. Face painting
97. Perform, musical talent, clowning
98. Publishing service, newsletter publishing
99. Freelance writer
100. Coach a sport
101. Invent
102. Broadcast a sporting event, kids talk show
103. Host a kids flea market
104. Operate a video rental business, produce videos
105. Publish a school directory
106. Repair donated toys and have a toy sale
107. Toys from wood
108. Hunting, fishing guides
109. Butterfly collecting for sale
110. Raising unusual livestock, angora goats, mink, miniature horses, etc.
111. Organically raised poultry
112. Web site design
113. Love fishing? Make and sell your favorite tackle

CASH IN ON HOLIDAYS:

114. Vacation home care, holiday care, decorating service for holidays
115. Produce and sell holiday crafts
116. Gift wrapping service, make gift wrap (recycled)
117. Rent costumed characters for the holidays and provide a character service for businesses, sew costumes
118. Manufacture and sell favors; May Baskets, St. Patrick's Day Clovers, Gift baskets for kids
119. Daycare for shopping mothers

**Prepared by
Bonnie and Noel Drew -
'Fast Cash for Kids',
members of the
Marketplace for Kids
Advisory Steering Committee,
and our KIDS!**



Updated Findings -- Youth and Entrepreneurship



According to recent research commissioned by the Ewing Marion Kauffman Foundation, children and youth have difficulty defining the word entrepreneur but are able to describe features of entrepreneurship and are familiar with the idea of “running your own business.” As part of its efforts to better understand attitudes and aspirations about entrepreneurship among youth, the Foundation conducted two research initiatives. One was a series of focus groups with young people ages 11-14, which took place in the spring of 2002, and the other involved a survey of youth, ages 8-17, conducted through schools in the fall. Specific results of the survey and the focus groups follow.

Survey

A total of 3,076 students in 68 schools participated in the study.

The respondents represented diverse ethnicities: 12% African American, 1.9% Asian, 5.6% Native American, 55.5% Caucasian, 11% Hispanic, 0.5% Pacific Islander, 12.8% other, and 0.7% multiple response.

The respondents were 49.9% male and 50% female.



Responses to the survey, delineated by age, indicate the following:

- **Career Aspirations** - When presented with a list of potential vocational areas (arts, auto mobiles, business owner, construction work, engineer, government, law, medicine, professional athlete, retail trade, scientist, teacher, working with computers, “don’t know”, and “other”) the largest percentage of respondents in each age group indicated “other” (23%-26%). Of the 8-12 year olds 15.61% indicated “professional athlete,” while 16.96% of the 13-16 year olds chose medicine, as did 15.08% of the 17+ group.
- **Interest in Starting a Business** - Responding YES to the question, “Have you thought about starting your own business?” were 41.43% of 8-12 year olds; 44.41% of 13-16 year olds; and 46.67% of those 17 and older.
- **Reasons for Starting a Business** - Be your own boss was identified as the primary reason by those 17 and older, closely followed by make more money and follow a dream. Those three reasons also were selected by 13-16 year olds, with make more money leading follow a dream and be your own boss. Children 8-12 selected make more money, followed by follow a dream, and help other people.
- **Characteristics of Business Owners** - Over 90% of respondents in all three age groups recognized that someone who owns a business works hard and knows the rules for their business. Among 8-12 year olds, 69.41% knew that someone who owns a business makes new jobs for others, as did 81.1% of 13-16 year olds, and 86.08% of those 17 and older. Large percentages of all three age groups knew that someone who owns a business deals with many things at the same time, is creative, and is willing to take risks to make money.

Updated Findings -- Youth and Entrepreneurship, Continued...

Responses, by gender, indicate few differences, with males and females similar in the percentages that had thoughts about starting their own businesses and in the various levels of certainty about starting their own businesses. They also had similar responses to the statements about people who own their own businesses and in their selection of definitions of the word entrepreneur.

Gender differences were reflected in:

- **Job Choice** - A much higher percentage of females than males (23.34% vs. 5%) selected medicine as a job choice while a higher percentage of males than females (18.21% vs. 4.46%) selected athlete.
- **Reasons for Starting a Business** - A higher percentage of females than males (27.52% vs. 16.5%) indicated their main reason as following a dream while a higher percentage of males than females (35.47% vs. 20.75%) choosing make more money. There were no noticeable differences among Hispanic students, African American students and Caucasian students in responses to many questions, including reasons for starting their own business, different types of businesses they might start, and selection of definitions of the word entrepreneur.

Differences in responses, delineated by ethnicity, indicate:

- Fewer Hispanic (30.99%) and African American students (27.3%) than Caucasian students (45.02%) knew an adult friend who owned their own business.
- Slightly less than half of Hispanic students (42.86%) and Caucasian students (44.85%), but over half of African American students (52.84%) had thought of starting their own business.

Focus Groups

A total of 37 youth, ages 11-14, participated in focus groups in Chicago and Baltimore. Participants were interviewed in a home setting, in groups of three. Although the sample was small, it was diverse in terms of gender, social economic status, race/ethnicity, and urban/suburban setting. **Specific results of the focus groups follow.**

1. Characteristics of youth, ages 11-14:

- Friends are very important to them
- They have an expanding interest in the larger world
- Have role models (celebrities, teachers, parents, friends) and believe they can be like them
- Achievement-oriented; want recognition for accomplishments
- Want to make their own decisions

2. Motivational Factors for this age group:

- **Power** - Defined as independence and being in charge
- **Belonging** - Having the means to help others
- **Success** - Getting recognition; sense of pride
- **Play** - Opportunity to invent/create

3. Entrepreneurship:

- Couldn't define entrepreneur, but
- Were able to describe some aspects of entrepreneurship
- Were familiar with idea of people running their own businesses
- Little exposure to any study of entrepreneurship
- Some career exploration, primarily in terms of different jobs

4. Entrepreneurs are:

- Seen as **successful** ("lots of money"; "wear nice suits")
- **Determined** ("hard working"; "a go-getter")
- **Conscientious** ("helps others"; "gives back to the community")
- **Inventive** ("has cool ideas"; "can come up with things on their own")
- **Visionary** ("Someone who builds for the future.")
- **Leaders** ("has own style"; "People depend on them.")

Implications for Entrepreneurship Education Programs for Youth, 11-14:

- Accessible to all - easy to get to; not too time-consuming
- Experience face-to-face and hands-on
- More likely to get/stay involved if friends are also involved
- Recognition is key

This report was prepared for publication in **EntrepreNews & Views** in February, 2003.
For further details please contact the Kauffman Foundation. www.emkf.org