THE ENTERPRISE JOURNEY

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www.theenterprisejourney.org.uk

THE ENTERPRISE JOURNEY

The Road to Enterprise
The Entrepreneurship Experience

Workshop materials to help students think themselves into the position of someone who is planning to start up a business, and to give them the tools and techniques to achieve it.

Materials written by
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Funded by SEEDA, Oxfordshire County Council and the European Union via the GROW secretariat

Introduction

These materials have been developed for use in schools in the Thames Valley area as part of a programme funded by SEEDA, Oxfordshire County Council, and the European Union, via the GROW Secretariat. The materials have been developed and piloted in Oxfordshire by Oxfordshire Education Business Partnership, and have also been translated into Polish and piloted in the Malopolska area of Poland.

The programme as a whole was set up to look at ways of increasing both teachers' and students' understanding of enterprise and entrepreneurship, and to see whether common approaches could work in different parts of Europe. The materials on this CD go beyond what is normally available to students, either on Enterprise Days or within Business Studies programmes: they are designed to help students think themselves into the position of someone who is planning to start up a business, and they give students the tools to help them take this route themselves, should they choose to do so in the future.

The materials on this CD cover two programmes: The Road to Enterprise was delivered to Key Stage 4 students (four workshops), and The Entrepreneurship Experience was delivered to students in Year 12 (three workshops). The Business Plan template is common to both programmes.

Ideally the workshops would be run on consecutive days, especially The Road to Enterprise, as students develop business ideas on the first day and then develop different aspects of the business plan for their chosen idea over the rest of the programme. Sample timetables are included for each workshop, but some teachers may prefer to split their delivery into shorter units.

The programmes are designed for students who are bright and communicative, but not necessarily academic: those who have an interest in enterprise and want to learn more about what setting up and running their own business would involve, and who want to develop the skills they will need to do so successfully.

They are designed for groups of 20 – 30 students. The pilot programmes brought together students from different schools and various methods were used to encourage them to work in teams with other people they did not know.

The pilot programmes were delivered by Education Business Partnership staff, and the materials on this CD will enable either EBPs or teachers to replicate the programmes. However, a guest speaker is suggested for each day, and should be chosen as a personal case study relevant to the topic of that day.

If you would like to discuss how best to deliver the programme in your school or your area, please contact Oxfordshire Education Business Partnership on 01235 547152.

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4 INTRODUCTION TO PRESENTATION TECHNIQUES

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THE ENTREPRENEURSHIP EXPERIENCE

1 Do you Want to be an Entrepreneur?

For the session on personal Profiles there are two versions.

- *Version A is for programmes where students have completed GetSet, the young person's version of the Belbin® team-role questionnaire, in advance. This can be organised through Belbin: the website address is www.belbin.com. We would recommend this; in the pilot programme, students learned a lot about themselves, their strengths and weaknesses and those of others in the group.*
- *Version B is for programmes where the GetSet profiles are not available; Questionnaires 1 and 2 are for this version only.*

2 It's Down to You

Contents *continued*

Outline of Workshops

This programme is aimed at Year 10/11 students who have an interest in learning more about Enterprise than can be covered in the five day entitlement. They may have expressed an interest in self-employment as a career move, be highly motivated by Business Studies, or have shown enthusiasm for Enterprise Challenge activities.

- Four workshops
- Up to 35 participants
- The objective of the four sessions is to explore each of the stages of setting up a business in turn, building skills and confidence.

The outcomes will be:

- Students have the ability to create an idea and to follow it through.
- Students will have increased confidence in their own ability to do so.
- Knowledge of business will be reinforced.

Introduction to Creative Thinking

- Ice breaker
- Introduction to Creative Thinking Techniques
- Idea generation sessions × 3
- Creative professional as Guest Speaker

(NB: Selection of ideas generated used as basis of following workshops)

Introduction to Business Planning and Sales & Marketing

- Ice breaker
- Introduction to Business Planning
- Introduction to Sales & Marketing
- Activity sessions × 3 developing Business Plan
- Entrepreneur as Guest Speaker

Introduction to Business Planning and Finance

- Ice breaker
- Financial Case Studies
- Activity session to develop Finance section for Business Plan
- Small Business owner as Guest Speaker

Introduction to Presentation Techniques

– Ice breaker
– Introduction to Presentation techniques
– Activity session developing presentation of Business Idea
– Presentations
– Guest speaker with Presentation/public speaking experience

Outline of Workshops

This programme is aimed at Year 12/13 students who have an interest in setting up or running a business or organisation. It is designed to underpin a course of Business Studies.

- Three workshops
- Up to 20 participants; it is expected that these will be Business Studies students, and/or enrolled in the YE Company Programme, and/or with a business idea they are pursuing.
- The objective of the three sessions is to address some of the personal and practical aspects of setting up and running a business, going beyond the scope of the curriculum or YE, by putting the emphasis on the individual's attributes and skills.

The outcomes will be:

- Students have a better understanding of what it really means to set up and run one's own business.
- Students will have a better understanding of their own ability to do so.
- Knowledge of business will be reinforced.

Do you want to be an entrepreneur?

- Ice breaker
- Case studies of successful entrepreneurs
- Organisational models, and how they would feel
- Personal profiling, Hopes & Dreams
- Entrepreneur as Guest Speaker

It's down to you (Problem Solving, Decision Making, Risk Taking)

- Ice breaker
- The importance of data (financial, business strategy) and its application
- Using data in Start-up Decisions, case studies
- Using data in Expansion Decisions, case studies
- Using data in Emergency Decisions, case studies
- Guest Speaker with real case study

Putting yourself across

– Planning a presentation
– Delivering a presentation
– Practice presentations with invited audience

Guide to Alternative Uses for Materials

	Use for:	Taught Section	Materials	Suitable for:	
Introduction to Creative Thinking					
Creative Thinking	Teaching idea generation techniques	50 minutes	Sections CT4 – CT10	KS3/4/5 All Abilities	Any subject
Introduction to Business Planning + Sales & Marketing					
Business Planning	Teaching Business Planning basics	30 minutes	Sections BP4 – BP8	KS3 High Ability	Business Studies
				KS4/5 all abilities	Enterprise/Work Related Learning
Sales & Marketing	Teaching market structures and customers	45 minutes	Sections BP9 – BP13	KS3 High Ability	Business Studies
				KS4/5 all abilities	Enterprise/Work Related Learning
Introduction to Business Planning + Finance					
Finance	Teaching the basics of Profit and Loss & Cashflow	1 hour 30 minutes	Sections F5 – F15	KS4/5 all abilities	Business Studies
					Enterprise/Work Related Learning
					Maths lessons
Introduction to Presentation Techniques					
Presentation Techniques	How to deliver a presentation	45 minutes	Section PT4 – PT15	KS3/4/5 All Abilities	Any subject

Guide to Alternative Uses for Materials

	Use for:	Taught Section	Materials	Suitable for:	
Do You Want to be an Entrepreneur?					
Entrepreneurs	Learning about what makes an Entrepreneur	45 minutes	Sections E5 – E15	KS4/5 All abilities	Business Studies
					Careers
					Work Related Learning
					Citizenship
Organisation Structures	Learning about the way organisations work	45 minutes	Sections E16 – E21	KS4/5 All abilities	Business Studies
					Careers
					Work Related Learning
					Citizenship
Personal Profiles	Learning about the fit of individual attributes with Entrepreneurship	45 minutes	Sections E22 – E30	KS4/5 All abilities	Careers
					Work Related Learning
It's Down to You					
Business Planning	Teaching Business Planning basics	30 minutes	Sections DY5 – DY10	KS4 High Ability	Business Studies
				KS5 all abilities	Enterprise/Work Related Learning
Finance	Teaching the basics of Profit and Loss & Cashflow	1 hour	Sections DY11 – DY17	KS4 High Ability	Business Studies
				KS5 all abilities	Enterprise/Work Related Learning
Putting Yourself Across					
Presentation	How to deliver a presentation	45 minutes	Sections YA2 – YA15	KS3/4/5	Any subject
				All Abilities	

THE ROAD TO ENTERPRISE

This programme is aimed at Year 10/11 students who have an interest in learning more about enterprise than can be covered in the five day etitlement.

Funded by SEEDA, Oxfordshire County Council and the European Union via the GROW secretariat

The Road to Enterprise Workshop Timetables

INTRODUCTION TO CREATIVE THINKING

09.30	**Introductions**
09.40	**Ice Breaker**
10.00	**Introduction to Creative Thinking 1**
10.20 – 10.35	BREAK
10.35	**Introduction to Creative Thinking 2**
11.05	**Activity session 1 – create a product using specified technique**
11.35	**Guest Speaker – describing experience of using creative techniques**
12.00 – 12.45	LUNCH
12.45	**Workshop session 2 – create a service using specified technique**
01.15	**Workshop session 3 – environmental idea, using specified technique**
01.45	**Selection of best ideas and summary of day**
02.30	FINISH

INTRODUCTION TO BUSINESS PLANNING AND SALES & MARKETING

09.30	**Ice Breaker**
09.45	**Introduction to Business Planning**
10.15 -10.30	BREAK
10.30	**Introduction to Sales & Marketing**
11.15	**Guest Speaker – describing experience of planning and delivering a strategy**
11.45 – 12.30	LUNCH
12.30	**Activity session 1 – developing Sections 1 & 2 of Business Plan for selected business idea**
01.00	**Activity session 2 – developing Section 3 of Business Plan**
01.30	**Activity session 3 – developing Section 4 of Business Plan**
02.00	**Feedback from students, review of ideas and summary of day**
02.30	FINISH

INTRODUCTION TO BUSINESS PLANNING + FINANCE

09.30	**Ice Breaker**
09.45	**Introduction to Finance**
10.15 – 10.30	BREAK
10.30	**Introduction to Finance**
11.30	**Guest speaker – describing use of finance in decision making**
12.00 – 12.45	LUNCH
12.45	**Introduction to Finance**
01.00	**Work on Business Ideas, to create Financial section of Business Plan**
02.15	**Review and Summary**
02.30	FINISH

THE PITCH

09.30	**Ice Breaker**
09.45	**Introduction to Presentation Techniques**
10.30 – 10.45	BREAK
10.45	**Work on structuring presentation on Business Idea**
11.15	**Guest speaker – demonstrating presentation techniques**
11.45 – 12.30	LUNCH
12.30	**Completion of work on structuring presentations**
01.00	**Presentations**
02.00	**Review and Summary**
02.30	FINISH

Introduction to Creative Thinking

CONTENTS

Aims and Objectives

This workshop is all about generating ideas using different creative thinking techniques. By the end of the day, you will as a group have come up with a range of different business ideas and will choose the best of these ideas to develop through the rest of the programme.

By the end of the day you should be able to:

- Work with people you didn't know before
- Understand whether the left or the right side of your brain is dominant, what this means, and how you can use this information to help you develop ideas
- Learn to use three different techniques:
  1. Combining ideas
  2. Using checklists, such as SCAMPER
  3. Using stimulus material, such as random words and pictures

INTRODUCTION TO CREATIVE THINKING

Icebreaker

This session should last 20 minutes.

The objectives of this icebreaker are:
- To encourage the students to talk.
- To encourage them to be creative.
- To start the process of introducing them to each other.

1. Ask the students to find a partner.
2. Tell each pair to decide which of them is a butterfly and which a moth.
3. Tell the moths to form a circle facing outwards, and the butterflies to form a circle facing towards their partners.
4. Read out a topic from the list below and tell them to chat about it together for one minute.
5. At the end of the minute, blow a whistle and tell the butterfly circle to rotate one place clockwise. Repeat step 4.
6. Continue until all the butterflies have met all the moths.
7. If there is time, tell the butterflies and moths turn to face each other and repeat the process until all the butterflies have met the butterflies and the moths the moths.

Discussion topics:

My favourite television show
My favourite subject at school
My least favourite subject at school
My dream job
If I were a millionaire I would…..
My best friend
The place I would most like to visit
What I really like about my school
What I really hate about my school
The best teacher I have ever had

The scariest thing I've ever done
The best present I ever had
What I would choose to dress up as for a fancy dress party
My favourite band/singer
The best film I've ever seen
My favourite meal
The name I would have chosen for myself
The oldest person in my family
The youngest person in my family
Where I want to be in ten years' time

INTRODUCTION TO CREATIVE THINKING

Facilitator Notes 1

SESSION 1

This session should last 20 minutes.

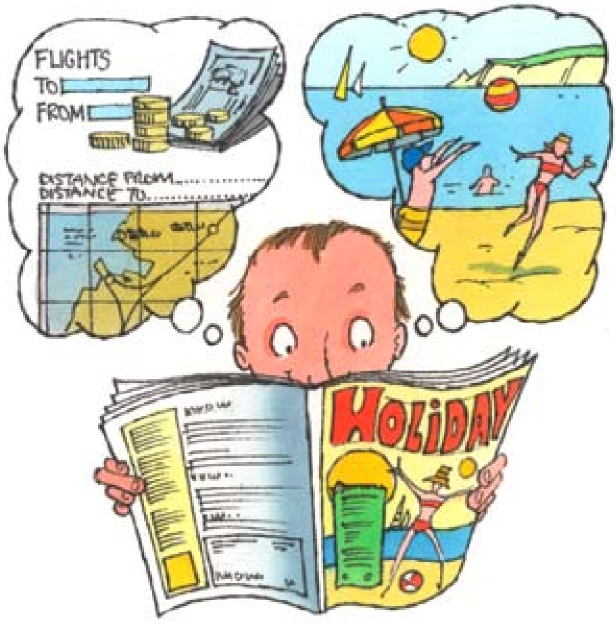
1. Introduce the idea of left brain/right brain thinking (see **Factsheet 1**). Ask students which side of their brain they think is the dominant side.
2. Now hand out **Activity Sheet 1**. When students have completed the 'Yes/No' columns, read out the following and ask them to insert 'L' or 'R' in the right-hand column if they have answered 'Yes' to that question:

1 – L	9 – R	17 – L	25 – L
2 – L	10 – L	18 – R	26 – L
3 – L	11 – L	19 – R	27 – R
4 – R	12 – R	20 – R	28 – R
5 – L	13 – R	21 – L	29 – L
6 – R	14 – L	22 – R	30 – R
7 – R	15 – R	23 – R	31 – R
8 – L	16 – L	24 – L	32 – L

3. Ask students to add up the number of Ls and Rs. Explain that the higher number represents their dominant side, and ask if they were right in their original guess. Explain that if the numbers are close, they use both sides of their brain equally – and this is what you need for creative thinking.
4. Explain why you need to use both sides of your brain to come up with creative ideas, and talk about some of the exercises you can use to stretch each side of the brain (see **Factsheet 1**).
5. Hand out **Factsheet 1** at the end of the session.

Factsheet 1

LEFT BRAIN/RIGHT BRAIN



There are two sides to everyone's brain.

The **right side** is your **intuitive** side. It's associated with visual images, dreaming and feeling; with music, art and the imagination. It's the side you use for **divergent thinking**: it leads you to explore a problem by wandering in interesting and unexpected directions.

The **left side** is your **logical** side. It's characterised by thinking in terms of symbols and words; it's analytical, concrete and rational. You use it for logical thinking, judgement, speaking and mathematical reasoning. It's the side you use for **convergent thinking**: it leads you to analyse a problem, to evaluate multiple ideas, and to focus down to the solution.

Everyone uses both sides of their brain, but most people use one side more than the other, and this influences our problem-solving skills as well as our personality traits.

Some people think that it's only the dominant right-brain thinkers – the 'artistic types' – who can be creative. But to be truly creative, you have to evaluate and decide on the best ideas, and for this you need left-brain thinking.

So the right brain comes up with the ideas, but the left brain evaluates the ideas and selects the best solution to a given problem.

For the process of developing ideas, you need to go through a cycle of right-brain/left-brain thinking. You generate new ideas (divergent thinking), then you evaluate and select ideas (convergent thinking). You have to combine intuition and logic, and use your whole brain.

If you have one dominant side, then try some of these activities to stretch the other side:

Stretching your right brain

- Make eye contact with people you meet, in order to help feel their point of view.
- Suspend your initial judgements of ideas, new people you meet, films, TV programmes.
- Take a walk to nowhere in particular.
- Surf the Internet just to see where it takes you.
- Do some doodling and draw faces, caricatures and landscapes.
- Collect junk mail and look at it – see if you can find some unusual ideas.
- Let yourself daydream.

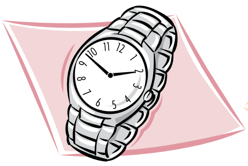
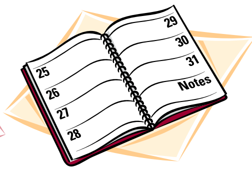
Stretching your left brain

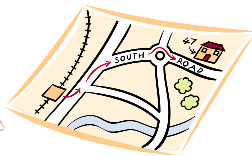
- Establish a timetable for all your activities during the coming week and check your progress regularly.
- Next time you buy something with instructions, read them all the way through.
- Complete a crossword puzzle.
- Learn how to use a new computer programme.
- Volunteer to make a public presentation.
- Before you go on the Internet to look for a specific piece of information, write down the detailed search strategy you will use.

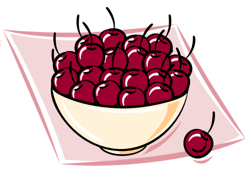
INTRODUCTION TO CREATIVE THINKING

Activity sheet 1

For each of the statements given below, tick either ‘Yes’ or ‘No’, depending on whether you feel it is true of you.



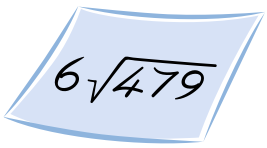


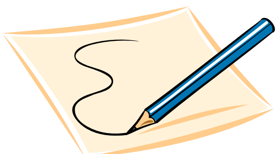
	Yes	No	L/R
1. I always wear a watch.			
2. I keep a diary.			
3. I believe there is a right and wrong way to do everything.			
4. I hate following directions.			
5. The expression ‘Life is just a bowl of cherries’ makes no sense to me.			
6. I find that sticking to a schedule is boring.			
7. I’d rather draw someone a map than tell them how to get somewhere.			
8. If I lost something, I’d try to remember where I saw it last.			
9. If I don’t know which way to turn, I let my emotions guide me.			
10. I’m pretty good at maths.			
11. If I had to put something together, I’d read the instructions first.			
12. I’m always late getting places.			
13. Some people think I’m psychic.			
14. Setting goals for myself helps keep me from slacking off.			
15. When someone asks me a question, I turn my head to the left.			
16. If I have a tough decision to make, I write down the pros and cons.			
17. I’d make a good detective.			
18. I am musically inclined.			
19. If I have a problem, I try to work it out by relating it to one I’ve had in the past.			
20. When I talk, I gesture a lot.			

Activity sheet 1 *continued*

	Yes	No	L/R
21. If someone asks me a question, I turn my head to the right.			
22. I believe there are two sides to every story.			
23. I can tell whether someone is guilty just by looking at them.			
24. I keep a ‘to-do’ list.			
25. I feel comfortable expressing myself with words.			
26. Before I take a stand on an issue, I get all the facts.			
27. I’ve considered becoming a poet, a politician, an actor or a dancer.			
28. I lose track of time easily.			
29. If I forgot someone’s name, I’d go through the alphabet until I remembered it.			
30. I like to draw.			
31. When I’m confused, I usually go with my gut instinct.			
32. I have considered becoming a lawyer, journalist or doctor.			







Now listen to the facilitator, and write down ‘L’ or ‘R’ as appropriate in the right-hand column.

- How many Ls do you have?
- How many Rs?

INTRODUCTION TO CREATIVE THINKING

Facilitator Notes 2

SESSION 2

This session should last 30 minutes.

1. Explain the basic rules for generating ideas and using creative thinking techniques (see **Factsheet 2**).

2. Talk through the three techniques described in **Factsheet 2**, giving relevant examples, and encouraging students to come up with their own ideas.

3. Explain that these are the three specific techniques that students will be practising in the Activity sessions, but there are many more, and students need to find what works best for them individually.

Some techniques work best for those where **left-brain thinking** is dominant: this is true of **checklists** such as SCAMPER, and also of techniques such as **factor combination**: breaking down a product or service into all the different possibilities for its constituent parts and combining them into a new and original version. For example, for a pencil case you could look at material, shape, colour, decoration, logo, contents; for a hairdresser's you could look at location, customer type, interior design, price level, etc.

Some techniques work best for those where right-brain thinking is dominant: this is true of using **random stimulus** material, and of using **metaphors** and **analogies**. This just means that something can remind you of something else, or that you see how a feature of one thing could usefully be applied to another. So, for example, the Pritt Stick was invented by analogy with a lipstick dispenser, and the roll-on deodorant by looking at how a ball-point pen works.

4. Explain that students will be working through three Activity sessions, each using a different technique, and each lasting 30 minutes. They should in each case aim to come up with an idea which they would be happy to work through in the following Business Planning sessions, so to make this easier they should keep to ideas within the bounds of possibility!

5. For each of the Activities, put students into different teams. Use a variety of techniques so that teams are formed randomly: for example, allocate letters of the alphabet or use cards with e.g. animal names or colours on, and ask students to find the others in the same category.

6. Hand out **Factsheet 2**.

Factsheet 2

CREATIVE THINKING TECHIQUES

There are some basic rules to follow to get the best out of whichever creative thinking technique you choose to use.

1. **Suspend analysis and judgement**: if you immediately evaluate and criticise every idea as you come up with it, you will automatically limit the number of ideas you produce, and so limit your chances of coming up with something really unique. So always list every idea, no matter how foolish or impractical it may seem at first.
2. **Go for quantity**: the more ideas you generate, the more chance there is that some of the ideas will be good ones. Experience shows that on average, out of every 60 ideas only one will be a real winner.
3. **Don't play safe**: if your ideas are always cautious and practical, you are unlikely to come up with breakthrough ideas. If you come up with wild ideas, they probably won't work as they stand, but they can provoke out-of-the-box thinking and can act as stepping stones to innovative and workable follow-up ideas.
4. **Take a break from the problem**: short, sharp sessions are likely to be most productive. After a while, our brains tire and stop us from thinking freely.

There are several different techniques you can use to help you generate new ideas:

1. Combining ideas

Many ideas for successful new products and services come about by combining two or more ideas that already exist: for example, a mobile phone and a camera; a café within a bookshop; a baby-sitting service that also offers ironing. Resealable food storage bags come from combining a zip with a plastic bag; a fairground Big Wheel combines a chair and a wheel.

You can practise this technique by choosing two ideas at random, and then brainstorming how you might combine them into something different. You don't have to use the whole idea: you can choose one element of it, or one characteristic of it. For example, 'sun' might make you think about heating and cooling; combined with 'bottle', you might think of a baby's bottle that changes colour if the milk is too hot or too cold. 'Tree' might make you think about growth; combined with 'hair', you might think of a mobile hair extension service!

2. Checklists

Very few ideas are totally new. Most are improvements on what already exists. Try thinking of an item that you use every day, and what it is that irritates you about it. How could you solve the problems?

Checklists provide structured prompts to generate business ideas by highlighting areas to investigate and explore. They can be applied whether you are looking at ideas for a product or a service.

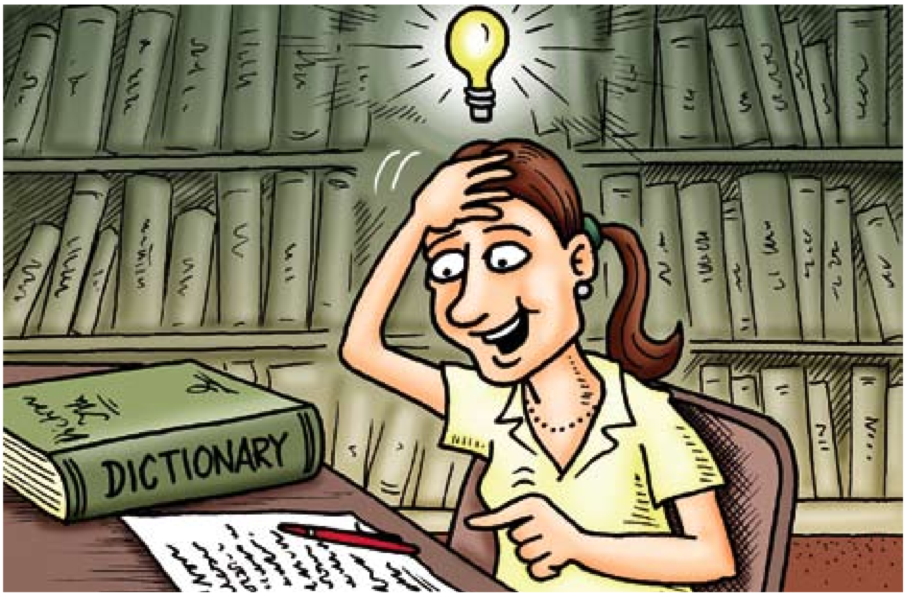
A good checklist to use, and one that is easy to remember, is called **SCAMPER**. These are the words the initials stand for, and examples of the sort of questions you would ask yourself about a particular product or service under each heading:

Substitute	What could I use instead of this product/service or a part of it?
Combine	What could I put together with this to make a new product/service?
Adapt	What else could I adapt to meet this need?
Magnify (or **M**inify)	How could I add to or take away from this product/ service?
Put to other uses	How else could I use this product/service?
Eliminate (or **E**laborate)	What factors could be taken away from this product/ service? What factors could be increased?
Rearrange (or **R**everse)	How could I alter the composition of this product/service?

Think about a low-cost airline. Here is an example of how they might have used SCAMPER to offer something different from the standard airline service:

S	Fly to out-of-town airports
C	Set up in-house car rental service based at airports
A	Look at example of low-cost airlines in America
M	Minimise turnaround time at airports by encouraging passengers to bring hand baggage only
P	Apply same low-cost principles to e.g. cruise ships
E	Do not offer an in-flight food service
R	Charge passengers for all baggage stored in the hold

3. Stimulus material – random words/pictures



Keeping a scrapbook or junk box can help get you started when you are looking for inspiration. This can contain photos, articles, designs, anything that could act as a stimulus, however unrelated it may at first appear.

A picture chosen at random from an encyclopaedia or a magazine, or a word chosen at random from a book or dictionary, can stimulate you to think about a new way of looking at something. It's important that the picture or word is truly random and not chosen because of any relevance to the problem you are facing.

To choose a random word, take a book or dictionary, close your eyes, open the book at any page and put your finger on the page. Choose the word on which your finger falls. Alternatively, get someone to call out three numbers: one for the page, one for the line, and one for the position of the word on that line, and find the word to which those numbers lead you.

Once you have found your word, let your mind wander around all the associations that that word has for you. Write down everything that the word suggests to you. For example, 'tissue' might make you think of softness, whiteness, absorbency, ill health, disposability…; 'under' might make you think of hiding, water, layers, patterns…

Now combine these associations with the problem or idea you are looking at, and see what new thoughts this brings.

INTRODUCTION TO CREATIVE THINKING

Activity sheet 2

Your challenge as a team is to come up with an idea for an innovative **product** using the **combinations** technique.

1. Without conferring, each member of the team writes down the name of an everyday manufactured item that you could buy in a shop. Fold your papers and mix them up. Pick out two of the papers at random.
2. Brainstorm ways in which the two chosen items could be combined to make a new product. You can use either the whole item, or an element of it, or something about the way that it works.
3. Write down all the ideas that the team thinks of, not rejecting anything at this stage.
4. Now narrow your ideas down, choosing the one idea that you think is both interesting and innovative, but also practical. Draw a picture of your new product, give it a name, and say who you think the customers for it would be.
5. Feed back your idea to the group.

INTRODUCTION TO CREATIVE THINKING

Activity sheet 3

Your challenge as a team is to use the **SCAMPER checklist** to come up with improvements to a **service** that already exists.

1. Each member of the team writes down the name of a service that you or your family use (e.g. a food delivery service, a hairdressing service, a garage).
2. As a team, discuss these services and agree to work on improvements to one of them.
3. Look at the SCAMPER checklist in Factsheet 2 and complete this chart with as many ideas as possible under each heading:

Name of service	
S	
C	
A	
M	
P	
E	
R	

4. Choosing the best ideas from this checklist, describe your new improved service and feed back to the group.

INTRODUCTION TO CREATIVE THINKING

Activity sheet 4

Your challenge as a team is to come up with a new idea for a **product or service** that will **help the environment** in some way, using a **random word** as a stimulus.

1. Select one of the books provided and open it at any page.
2. One of the team closes their eyes and chooses a point on the page. Select the word closest to where your finger falls (if it is a word like 'the', choose the word next to it).
3. Brainstorm what the word makes you think of, and other ideas associated with that word (e.g. 'soap' might make you think of baths, bubbles, dirt, water, beauty; 'fast' might make you think of transport, running, or not eating!) Write down all the ideas the team comes up with.
4. Now think about different products and services that help the environment – e.g. energy-efficient light bulbs, recycling schemes.
5. Use the ideas generated by your word to stimulate ideas for a new product or service. Agree on the best idea and sketch it out.
6. Feed back your idea to the group and explain how it would benefit the environment.

INTRODUCTION TO CREATIVE THINKING

Facilitator Notes 3

SESSION 3

This session should last 45 minutes.

1. Summarise the main learning points from the day.
2. Ask the group to think about which of the ideas from the three Activity sessions have the most potential to work in practice. Explain that each team will need to choose one of these ideas to work on in the later Workshops, including looking at the financial aspects, so they may not want to choose anything that is too complex!
3. Narrow down the number of possibilities by asking the group to vote on the best three ideas in each of the categories: Product, Service, and Environmental Ideas.

Introduction to Business Planning and Sales & Marketing

CONTENTS

INTRODUCTION TO BUSINESS PLANNING

Aims and Objectives

This workshop is about the importance of planning in whatever you do, and the particular importance of business planning. It will give you a template for a Business Plan and help you to use it to develop the business ideas that were generated in the first workshop.

By the end of the day you should be able to:

- Understand what needs to go into a Business Plan, and how it tells the story of your business idea
- Describe your idea and the strengths you bring to it in a way that will attract the attention of your intended audience
- Describe the market for your product or service, and the customers, competitors and distribution channels
- Describe the promotional plan for communicating with your customers

INTRODUCTION TO BUSINESS PLANNING

Icebreaker

This session should last 15 minutes.

The objectives of this icebreaker are:
- To encourage the students to work together.
- To make them realise it is important you work out how you are going to approach a task before you start.

Option 1 – Planning Ahead

1. Set out chairs in a random pattern, with the same number of chairs as students.
2. Tell everyone to sit down, and select a volunteer to start. Ask him/her to stand up and move to the other side of the room from the empty chair.
3. On a signal to start, the person standing has to walk towards the empty chair. He/she is not allowed to run.
4. The objective of the other students is to prevent the first student from sitting in an empty chair. They have to work out when is the right moment to move into the empty chair, and another student has to move into the chair they have vacated. They are allowed to run.

Option 2 – The Knot

1. Divide the group into teams of 8 to 12 students.
2. Tell each person to join right hands with another person in the group, but it has to be someone who is **not** standing immediately to the left or right.
3. Then have each person join left hands with another person in the group, but it has to be someone who is **not** standing immediately to the left or right and someone other than before.
4. Now the groups have to untangle themselves without letting go of hands.
5. The first group to untangle their knot is the winner.

INTRODUCTION TO BUSINESS PLANNING

Facilitator Notes 1

SESSION 1

This session should last 30 minutes and is supported by **Factsheet 1**, covering the basics of Business Planning up to defining the business idea.

1. Cover the material in Section A on the Factsheet, then (optional – not needed for high-ability groups) hand out **Activity Sheet 1**, an exercise designed to reinforce the need for good planning.
2. Invite feedback, drawing out the learning points on what led to success or failure:
   a. Good communication
   b. Everyone knowing what was happening
   c. Everyone knowing what they were responsible for
   d. Everyone knowing what to expect
   e. No delays
   f. No extra expenses
   g. Expectations all met etc.
3. Cover the material in Section B on the Fact Sheet, then hand out **Handout 1**, a Business Plan template.
4. Explain that they will have an opportunity to use parts of the template later.
5. Cover the material in Section C on the Factsheet, then hand out **Activity Sheet 2**, examples of company visions.
6. Invite responses to the questions on the sheet. The answers to the first question are: 1 = Tesco, 2 = Otis Lifts, 3 = The International Red Cross.
7. If you have time, ask for suggestions on how the business ideas generated in Workshop 1 from this course might be described. This should be included if you are working with a high-ability group.

INTRODUCTION TO BUSINESS PLANNING

Factsheet 1

BUSINESS PLAN – THE BASICS

A This section outlines why it is essential to have a Business Plan if you want to set up a business (or a club, or an event).

- If you want to do something – go on holiday, meet friends, buy a bike, see a film – you will plan how to do it.
- Having a plan is **the only way you can get to where you want to go**.
- The only difference between planning what you are going to do next week and planning your business is:
  - Getting it wrong is more serious.
  - There is more chance people won't understand what you mean.
  - It covers a longer time.
- It is therefore essential that **it is written down**.
- Writing it down means:
  - You can communicate it properly, and tell the same story to everyone you want to involve.
  - It is easier to manage change – if you are wrong about something, and you need to update it, you can see exactly how that affects the plan.
  - It is much more satisfying – if it all works out, you know it is just what you planned.

B This section outlines what should go into the plan.

The plan should tell the story of your business. Like any good story, it should tell the listener/reader the whole plot, and not leave any loose ends or questions unanswered. It therefore needs to include:

- a description of the business idea.
- a background to the people involved – you, your partners, anyone who is helping you.
- a description of the market you are going to be competing in, who your competitors and customers are going to be, and how you are going to make your product/service available to them.
- a **promotional plan** – how you are going to package/advertise/brand/ promote your product or service.
- a **financial plan**, with enough information to show you can make money, you can pay back any money you need to borrow to begin with, and you are not going to run out of money to pay the bills.
- an idea on how you might develop the business if it is successful.

The plan is about communicating. This means:

- It does not have to use words – if pictures, graphs, images, examples of other products or anything else communicates better, use these.
- It does not have to provide all the answers – if you do not know something, explain how you are going to find out. If the next step for your business is to run a pilot, or do some research, or carry out technical experiments, you still need to write the plan.

C This section is about the **idea**.

It is important that you **know where you want to go**.

- You have to be clear what business you are in.
- You have to know what it is you are trying to achieve: something big, something small, something personal, something universal.
- There are plenty of words for this – Vision, Mission, Value Statement, Goals and Objectives.
- For your Business Plan, you need to be able to communicate without going over the top.

If you make your business definition very narrow, for example:

- Selling walking boots to people in Chipping Norton
- Cleaning windows of homes in Woodstock

it is much easier to develop a good plan, and be sure your business will work.

However, this will also restrict how much your business can grow, and it might not sound ambitious enough, so most companies will have a 'vision' (or a mission) that is much grander. For example:

- Helping hikers walk in comfort
- Exterior cleaning service

If these were their visions, the first business could expand into other walking clothing and accessories, and the second into washing stonework.

Be careful to:

- State clearly what you are planning.
- Do not go over the top about your ambitions.

Activity sheet 1 (optional)

In pairs/groups:

- Think of an event you were recently involved in (a school outing, a trip to the cinema, a school play etc.).
- Did it run smoothly? If so, what was good about it?
- Did it go wrong? If so, how and why?

Capture the learning points.

Success was due to:

____

____

____

____

Failure was due to:

____

____

____

____

Activity sheet 2

Look at these Vision Statements.

- Do you know which organisations these are, or can you guess what they do?
- Do these statements help you understand what the business is all about?
- Do you believe them?
- Do you think they deliver?
- All these statements have been put together by organisations successful in their field. How do you think they would have described their purpose before they were set up? Would it be the same?

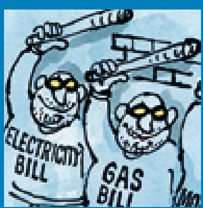
1. *We go the extra mile for customers, making shopping simpler, cheaper in every store in every country in which we operate. Every little helps.*
2. *Our mission is to provide any customer a means of moving people and things up, down and sideways over short distances, with higher reliability than any similar enterprise in the world.*
3. *Our mission is to improve the quality of human life; to enhance self reliance and concern for others and to help people avoid, prepare for and cope with emergencies.*

The Business Plan

NAME OF BUSINESS:

WRITTEN BY:

DATE:



CONTENTS:

Business Plan

A Business Plan is the story of your business idea, written down in a way that shows you have thought about it and lets you share it with other people.

You can use anything you like to tell the story – pictures, words, graphs, charts, images, logos, patterns etc. Think of it as a brochure advertising your business idea.

You do not need to know everything about your business to write the plan. Part of a Business Plan is having a plan to find out the things you don't know. Rather than making up answers, you should explain how you are going to find out what the answers are.

1 THE IDEA

This is the hook – if this doesn't sound interesting, it will be hard to persuade people to invest. This can also be called THE VISION.

Write your idea briefly here

____

____

____

____

____

____

____

Remember – there are two basic types of business:

- ➜ ***A product*** – you are selling something you have made/bought (chocolate bar, set of spanners, underwear)
- ➜ ***A service*** – you are giving your customers an opportunity to buy/do/not do something (buy underwear, go on holiday, stop cleaning their own cars)

Some businesses are a mixture of both, but you need to be clear which you think your idea fits into best.

2 COMPANY STRENGTHS

After the idea, the next thing anyone listening to you will want to know is, who are you? And why should they trust/listen to/be interested in you? The things to cover in this section are:

- A background of the people involved
- Any skills, interests, experience you have to make you the right people to deliver on the idea
- Your successes, your contacts
- How you are going to divide the work up between you, according to your skills?
- Do you have all the skills you need, or are you going to get extra qualifications or experience that will help, or recruit more people?

Write here

3 THE MARKET

If there isn't a market, or you don't understand it, you might as well not start.

A Market Background

In this section you need to show you understand something about the market you are going to enter.

Write here

Imagine you are describing the market for ***garden machinery*** to someone who has never had a garden and doesn't know the type of products, where to go and buy them, how much to pay for them, whether there is lots of choice or very little, whether there is lots of innovation or only traditional products etc.

Or you could be talking to someone who has never been to ***listen to a band play***, and you need to explain the sort of venues, the variety of acts, the sort of people who go, the typical price of tickets, whether there are any trends etc.

B The Competitors

You won't be competing against everyone already selling in your market, so pick out the ones who will be the closest competition, that is the ones most similar to you, and explain how you are going to be different to them.

Write here

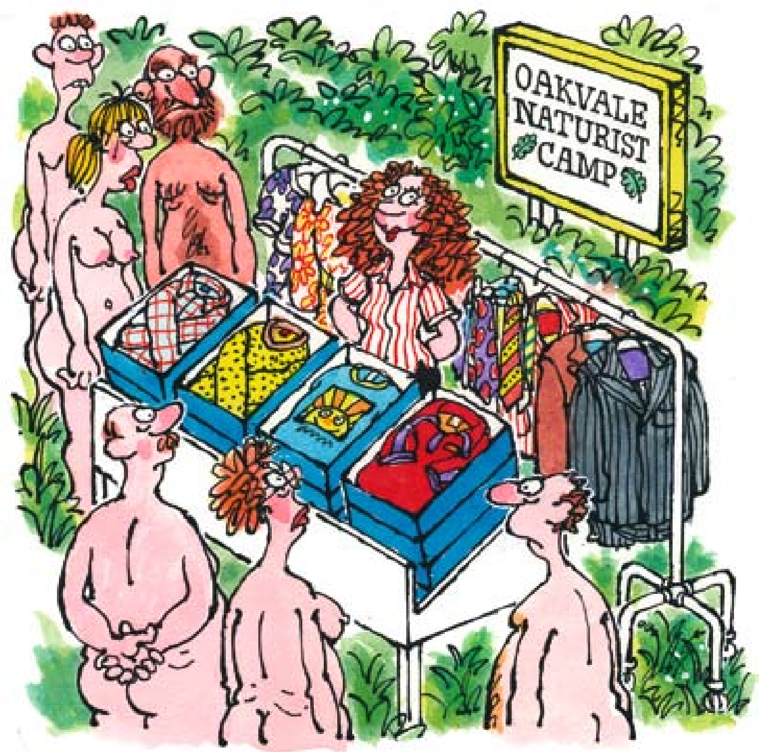
C The Customer

The customer is the person who will be paying you for your product or service.

You have to know what customers you are aiming at because otherwise:

- You can't ask them if they are likely to buy your product/service.
- You can't communicate with them, by using the right images and language.
- You can't decide where or how to sell your product/service to them.

You should also include in this section any evidence you have that these customers will be interested. Have you asked any of them (done any research)? Have you watched how they behave?



You can describe your typical customers as being ***young or old, male or female***. However, not all young women are the same, some old men may have more attitudes in common with some young men than with other old men.

Try to describe your typical customers in a way that makes it more likely ***you would recognise them if you met them*** – for example, might they have interests in common, might they live in similar sorts of houses, might they share a concern for the environment, or have an interest in innovation, etc.

It is often powerful to describe the one person you imagine as ***the typical customer***. You will always sell to people who don't fit this description, but it is much easier to pitch a product to someone you feel you know.

Remember: The customer pays the money, but sometimes the consumer, the person who actually wants the product or service, may not also be the customer – for example toys are bought for children, but by parents – so you need to know about the consumer as well.

Write here

D Distribution

This means, how is the customer going to end up buying what you have to sell?

For a product, you need to consider:

- If you will manufacture it yourself
- If you will assemble it yourself
- If you will sell it to a wholesaler (someone who supplies shops)
- If you will it to shops yourself
- If you will set up your own shop
- If you will sell it over the internet

Make sure you have a plan that is likely to work for your customer. Would they prefer to shop locally or online, from a small shop or a large shop?

For a service, you need to consider:

- Where are you going to provide this – in the customer's home, in your premises, in someone else's premises?
- How are the customers going to order/pay for your service?

Write here

If you sell to a wholesaler, he will need to make money and will not pay you the full retail price.

If you set up your own shop, you will have lots of costs for rent and staff.

If you sell over the internet, your costs will be low, you will get all the money, but is this the right way to find your customers?

4 THE PROMOTIONAL PLAN

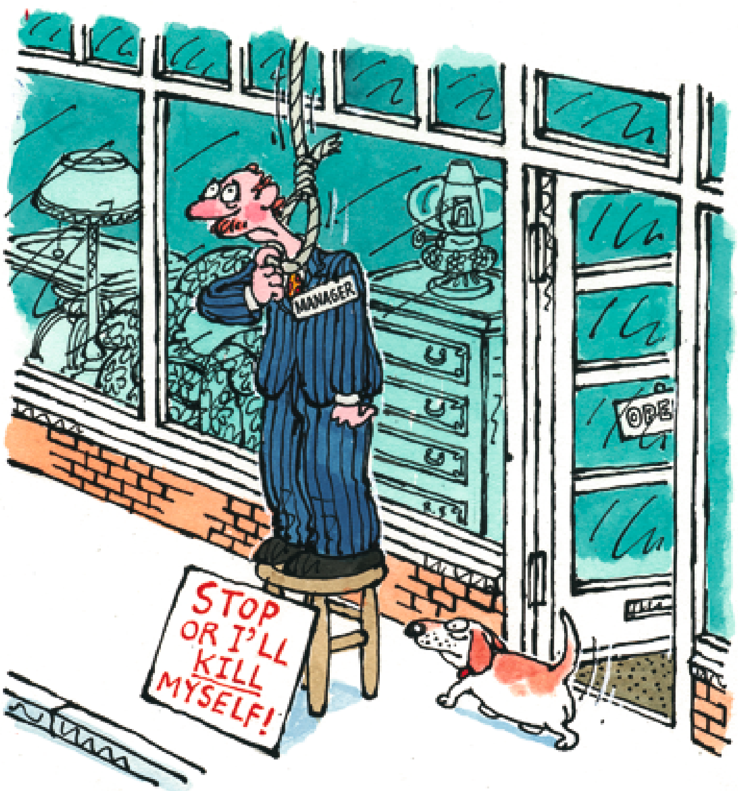
This is about communication with the customer. How are you going to do that? What advertising, what promotions? What will you do to build a strong brand?

Write here

If you want high impact, you probably have to pay more money, for a TV commercial, for example.

If you want local impact, think about posters or local papers, where ads are cheaper.

If you want to get to specific customers, think about the specialist press – magazines that cover the things they are interested in.



5 THE FINANCIAL PLAN

You have to be able to answer several questions about the financial side of your business:

1. How much do you expect to make, once you are operating your business; that is, what are you expecting to earn, and how much will it cost you to run?
2. How much money do you need to start it up?
3. Based on this, how soon will you be able to pay back the money you have put in at the beginning?
4. Will you have enough money month by month to keep paying the bills?

To answer the first question you need a **Profit and Loss Account**.

To answer the other questions you need a **Cash Flow Forecast**.

No one expects you to know exactly what these figures will be, but you do have to make an estimate, and be able to show it is reasonable.

Once you have done these estimates, you should fill in the forms below.

You can **forecast** what your profit (or loss) might be after a year by making assumptions. You need to 'guess':
- the number of sales you will make
- the cost of each sale (the material cost, if it is a product)
- what all your other costs will be.

You will have to make notes on why you think these are the right estimates, so you can check what went wrong, if your forecast is inaccurate, and to convince other people you know what you are talking about.

To prepare a **Cash Flow Forecast** you need to estimate your **start-up costs**, including the money you need to keep going until your sales start to grow. Start-up costs will include any equipment, materials, or advertising money you need before you can get going.

Profit and Loss Account

		Year	Notes
1	**Income:**		
	No. of Sales		The number of customers you expect to have in a year
2	Average Income per Sale £		The amount you expect them each to spend
3	**Income £**		**Line 1 × Line 2**

4	Less Cost of Sales (materials)		The cost of what you sell, or the cost of time (for a service)
5	**Gross Profit £**		**Line 3 minus Line 4**

	Expenses:		
6	Salaries		What you will pay yourself and others
7	Advertising		Include website, leaflets etc.
8	Rent, rates, insurance etc.		All your office costs
9	Other		Anything else needed to run your business
10	**Total Expenses**		**Total of Lines 6 – 9**

11	**Total Profit**		**Line 5 minus Line 10**

Cash Flow Forecast

	CASH IN	Period 1	Period 2	Period 3	Period 4	Total	Notes
1	Investment						The amount of money borrowed or invested at the start
2	Sales						Total is Line 3 from P&L form; you need to forecast how many sales will occur in each period
3	Total in						Line 1 plus Line 2
	CASH OUT						
4	Start-up costs						The costs of setting up the business, equipment, advertising etc.
5	Cost of sales						Total is Line 4 from P&L form; for each period it will be Line 2 above × Line 2 on P&L form
6	Other expenses						Total is Line 10 from P&L form, for the periods, divide by 4
7	Total out						Total of Lines 4 – 6
8	Total in/(out)						Line 3 minus Line 7
9	Cumulative in/(out)						Period 1 is as Line 8. Add (or subtract if it is negative) Line 8 total in each following period

Sample completed forms are attached, for reference

Teddy Bear Repair Shop

Zoë had this idea for a business. She made the following assumptions:

1. Investment needed is sewing machines (£500), refurbishment of garage to form workshop (£500), advertising/setting up website (£500), working capital to fund salaries & materials (£500)
2. 100 customers per month, with average cost of repair = £20
3. Average cost of materials for repair = £5 per bear
4. She would pay herself £800 per month
5. It would cost £100 a month each for advertising and heating, lights etc.

Profit & Loss	**Year**
Income:	
No. of Sales	1200
Average Income per Sale £	20.00
Income £	**24,000.00**

Less Cost of Sales (materials)	6,000.00
Gross Profit £	**18,000.00**

Expenses:	
Salaries	9,600.00
Advertising	1,200.00
Rent, rates, insurance etc.	1,200.00

Total Expenses	**12,000.00**

Total Profit	**6,000.00**

Cash Flow	**Month 1**	**Month 2**	**Month 3**	**Month 4**	**Total**
Cash In	£	£	£	£	£
Investment	**2000**	-	-	-	2000
Sales	-	2000	2000	2000	6000
Total In	**2000**	**2000**	**2000**	**2000**	**8000**

Cash Out					
Start up Costs	1500	-	-	-	1500
Cost of Sales	-	500	500	500	1500
Other Expenses	-	1000	1000	1000	3000
Total Out	**1500**	**1500**	**1500**	**1500**	**6000**

Balance in/(out)	**500**	**500**	**500**	**500**	**2000**
Cumulative in/(out)	**500**	**1000**	**1500**	**2000**	**2000**

This form shows the business:

- needs £2000 to get going.
- will pay back the initial investment in four months.
- has money left in the bank at end of each month.
- will earn an ongoing profit of £500 per month.

6 THE FUTURE

Finally, you could suggest some ways in which your business will grow, once it is successful. Will you expand into other countries? Will you introduce new products/services? Will you sell franchises to other people to carry out the same business? Will you sell the whole business?

Write here

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INTRODUCTION TO BUSINESS PLANNING

Facilitator Notes 2

SESSION 2

This session should last 45 minutes and is supported by **Factsheet 2**, covering the market aspects of the Business Plan.

1. Cover the materials in Section A on the Factsheet, then hand out **Activity Sheet 3**, an exercise designed to help the students to understand how complex a market can be.
2. Invite feedback. The learning points to draw out are:
   a. Markets can be very complex.
   b. Any new business should be looking for a new niche, or a gap, or an area of the market that is not overcrowded.
   c. To describe a market adequately, research is going to be necessary.
3. Cover the material in Section B on the Factsheet, then hand out **Activity Sheet 4**, an exercise to show how you can use the market background to make it easier to describe your customer, competitors and outlets.
4. Invite feedback, and draw out the learning points:
   a. It is not always necessary to be clever in describing the customer and competitors.
   b. If you have found a gap, it is all right to be a 'copycat' business.
   c. It is important to know if you are mass market or up market or a price leader.
5. Cover the materials in Section C on the Factsheet, explaining the purpose of a promotional plan.

Factsheet 2

BUSINESS PLAN – SALES AND MARKETING

A This section covers the basics of the market section of the Business Plan.

Once you know what business you are in, you need to describe the market. Imagine you are on top of a hill, and you want to describe to someone a farm in the distance, and part of that description is what the landscape looks like – the trees, the roads, the hills and valleys. Your business is going to be just one small detail in the landscape of the market, but before you talk about that in detail, you have to describe how it fits, for example:

- What sells.
- Where it sells.
- What sort of companies are in it.
- Is it growing or shrinking?
- Is it consolidating or fragmenting?
- Is it all one type/price or a wide range?
- Is it stable or changing?

You do not have to put in everything, but you do need to fill in the detail that is particularly relevant to the business you want to launch.

It might feel as if you are repeating what is obvious, but don't forget the Plan is about **communication**, and even if your audience knows the market you are describing, they may not have thought about it as a whole.

B This section covers the **customers, competitors and distribution** section of the Business Plan.

You need to describe your customer. You need to know the type of people you are expecting to be attracted by your business idea, or else you can't communicate with them in the right way. The stronger your brand, the better chance of success you have, and the secret of a strong brand is that everyone has a clear image of the 'typical' customer, and will buy the product even if they are not one of those people. For example:

- BMW make the 'ultimate driving machine' for people who like to drive fast, are rich and successful.
- Coca Cola is drunk by young, fun-loving, happy people.

Knowing your customer makes it easier to say who your competitors really are. BMW would not see Skoda as a brand in competition with their cars; Coca Cola would not see ginger beer as a product they need to compete against.

Once you know your customer and competitors, it is easy to work out where and how to sell to your customers.

- How far would you expect them to travel to buy from you?
- Will they be happier locally or out of town?
- Will they expect to go to a large shop or a small one?
- Will they use the internet?
- Will they expect you to come to them?

C The final part of this session is about the **promotional plan**. This is about how you communicate to your customer and persuade him or her to come and buy from you.

Remember, advertising is much more subtle than just telling people to buy – it is:

- creating awareness
- giving information
- reassuring the customer he/she is doing the right thing
- reminding him the product is out there

You have to decide which of these is most important for you to put across, or whether you do all of them in different ways.

For your advertising strategy, you must:

- create an identity for yourself, the logo, slogan, company colours etc.
- pick your communication channel (TV adverts, press adverts, internet, posters, radio, billboards, mail shots etc.).

To make these decisions, you need to remember:

- who your customer is
- how innovative your idea is
- how easy you think the market is to enter.

Activity sheet 3

Working in teams, imagine you are talking to someone from another culture altogether, and describe what one of the following markets is like, in the UK:

- The market for clothes
- The market for music
- The market for live events

You should think about:

- Who buys
- Where they buy
- What they buy
- What influences them to buy
- What is changing

Write down the description, on one side of A4.

INTRODUCTION TO BUSINESS PLANNING

Activity sheet 4

You have decided to set up a dog grooming business in Summertown, in Oxford. The market background section of your Business Plan says:

- Dog grooming businesses provide a service to pet owners, keeping their pets clean and tidy.
- People who show their dogs need them perfectly groomed, but all owners would prefer their animals to be clean, and grooming also reduces the amount of hair the dogs leave on carpets and upholstery.
- All dog grooming services provide the same things: they wash, brush and clip. It is also quite usual for them to cut nails and implant ID chips.
- Prices are around £25 per dog on average, though some of the smaller businesses will charge less.
- All breeds need grooming, even short-haired breeds; they may not need clipping but will need brushing.
- Clipping can be to style a dog's coat, or just to get rid of long hair that trails in the mud.
- Apart from one mobile dog grooming service, the dog grooming businesses are local and will attract custom from advertising in the Yellow Pages and in the local magazines and by appearing on websites.
- There are 14 dog grooming businesses in Oxfordshire, mostly in the south of the county, providing the service in the home of the business owner, in residential areas.

What are you going to say about:

Your customer? ____

____

Your competitors? ____

____

Where you are going to locate your business? ______________________________

____

How will you find out about your customers and what they want? __________

____

INTRODUCTION TO BUSINESS PLANNING

Facilitator Notes 3

SESSION 3

Note: This session has the students working in teams and there is therefore no Factsheet.

This session is divided up into three half-hour units.

1. Select the ideas to be worked on, from the shortlist developed at the end of the Creative Thinking workshop. Form teams to work on each idea.

2. This can be achieved by:
   - Writing up the shortlist of ideas
   - Putting each student's name in a hat and drawing them out one by one
   - As his/her name is called the student selects the idea he/she would like to work on
   - When an idea has reached the limit set on team size (e.g.6), it is no longer available and subsequent students must choose another
   - If an idea has too few students (less than 3) those students will also need to pick one of the others

   This technique allows the first students to have a better choice of idea but the later students have a better chance of selecting a team with people they want to work with.

3. Hand out **Activity Sheet 5**. Check on progress at the end of each half-hour, to ensure that students move on to the next section of the plan.

4. At the end of the session, ask each team to give a brief presentation on the plan they have put together so far.

Note: If the business ideas from the Creative Thinking workshop are not good enough to use, or would be too complex for this exercise, use the following ideas instead:

Product:

1. Worry beads, strings of beads to wear or play with

2. A rubbish bin with a grinding mechanism inside that chews up what is put into it

Facilitator Notes 3 *continued*

3. Bath toys that change colour with the heat of the water
4. T shirts with logos that flash

Service:

5. A busking service, for parties, coach outings etc
6. A children's shop, selling everything for children, aimed at pleasing the children as much as the parents
7. A service cleaning up after parties
8. A shop where you can download tracks onto a CD and design and print out covers for them

Environment:

9. A hairdressing salon run on environmental lines, with environmentally friendly products, recycled water etc.
10. Carbon Footprint website where members log their footprint and share ways of reducing it, award prizes etc.
11. Mouse mats and pencil cases made from old tyres
12. Board game made from recycled materials with eco-friendly theme

INTRODUCTION TO BUSINESS PLANNING

Activity sheet 5

It is now your chance to practise putting a Business Plan together. Use the Business Plan template to help you. You can *either* fill this in, or use this as a guide and present your ideas in your own way.

Working in a team, create the first two sections of the Business Plan for the idea you have selected.

1. Describe the **idea**.

2. Describe the **company strengths**.

Remember:
- This first bit needs to be interesting and exciting to make people keep reading.
- You don't only have to use words.

You have 30 minutes to work on this section.

Now move on to the **market** section of the Business Plan.

1. Describe the **market**.

2. Describe your **customers, competitors and where you will sell**.

Remember:
- If you don't know something, state what you believe to be true and explain how you are going to check it, or state what you think you need to know and how you are going to find this out.
- Knowing your customer is very important. Look for pictures that you think represent who your customer will be.

You have 30 minutes to work on this section.

Now create the **promotional plan** section.

1. Design the way you want your company to be presented to your customers, through your logo, slogans, etc.

2. Describe how you will promote your business.

Remember:

- You need to know what message you are putting across.
- You will need to pay for all your advertising, so think about how you can influence people without spending a fortune on TV ads.

You have 30 minutes to work on this section, and to check through the other parts of the plan you have written today.

At the end of the session, you will be asked to give a brief summary of where you have got to.

Introduction to Finance

CONTENTS

INTRODUCTION TO FINANCE

Aims and Objectives

This workshop is about the importance of 'reading' and interpreting numbers, but it shows that you do not have to be especially good at maths to do so. It explains how vital it is to use numbers in decision making in business. You will use the Business Plan template to develop the financial plan for your business idea.

By the end of the day you should be able to:

- Interpret numbers and see how they can help you to make decisions
- Understand how a Profit and Loss Account works
- Understand how a Cash Flow Forecast works
- Present this data for your own business idea

INTRODUCTION TO FINANCE

Icebreaker

This session should last 15 minutes.

The objectives of this icebreaker are:

- To encourage the students to believe numbers are not automatically difficult.
- To encourage them to listen carefully.

Nearly Right

1. Divide the students into groups of four.
2. Hand out the numbers below, on pieces of card, one set per team.
3. Tell the students that you are going to read out a page of text with numbers in it. When they hear a number that is **one more** or **one less** than one they have on a card, they should discard that card into the middle.
4. At the end, they should have one number left. Check all the teams have the right one.

Number cards:

1
432
199
51
6
17
19
16
11
76
357
7
45
93
57
394
366
203

Nearly Right

Emma and her **2** brothers, Mark and Tom, were playing a game on the computer. Mark was better than the others and had scored **433** before Tom had reached **200**. Emma was doing better than she usually did, but was still **50** points behind Tom. In this game, points were scored for shooting monsters with **5** eyes and **18** legs. Each hit was worth **20** points, and another **15** could be added for each golden helmet collected from the monster emperors. Mark had collected **12** golden helmets, and Emma was beginning to think she might as well give up and go and phone her friend, when he fell in a swamp and lost **75** points. This meant he went down to **358** points, and when Tom had a run of luck and managed to collect **8** helmets it began to look as if Mark might actually lose. Emma was pleased for Tom, because Mark had won this game **44** times in a row, and she thought it would be better if Tom won. Then she fell in the swamp and lost **92** points, taking her down to **58**. By this time, Tom had **395**, and Mark was back up to **367**, so she couldn't be bothered to carry on playing.

INTRODUCTION TO FINANCE

Facilitator Notes 1

Session 1 – **15 minutes**

Explain that anyone can use numbers - using numbers **does not mean you have to be good at maths**.

All of us 'read' numbers every day of our lives, just as we read words; we don't think we need to be good at writing to use words to pick up information and communicate; we don't need to be good at calculations to use numbers to pick up information and communicate.

Numbers can tell a story in the same way as words.

Draw this chart on a whiteboard/flipchart and invite suggestions as to what the numbers mean.

4	1
2	3
64	3
19	21
112	
6	

Then ask whether, if they knew they were all scores, students could tell what games are being played. (Football, football, rugby, rugby, cricket, cricket)

If you knew what games were being played, could you tell anything else, for example whether the home team won, or the visitors, whether it was a close match or a walk over, whether the winning team batted first or fielded first?

Answers are:

Chelsea 4	Liverpool 1
Arsenal 2	Manchester United 3
Wasps 64	Plymouth Argyle 3
France 19	England 21
Hampshire beat Kent by 112 runs	
Gloucestershire beat Yorkshire by 6 wickets	

INTRODUCTION TO FINANCE

Facilitator Notes 1 *continued*

Now write up the following numbers and ask what they represent:

a. 0790523698
b. 0870789234
c. 0800444929
d. 0845736245
e. 0900357236
f. 118118

Ask students which is the most expensive? And which is the cheapest?

Answers are:

a. Mobile phone
b. Special services (e.g. catalogue sales) number, higher rate
c. Freephone number (cheapest)
d. Special services number, lower rate
e. Premium rate number (most expensive)
f. Directory enquiries

Facilitator Notes 2

Session 2 – **45 minutes**

Explain that this session is about how it is essential to use numbers in decision making, and the importance of forecasting.

- It is very difficult to make a decision without numbers; this is true in everyday life.
  - How do you decide what to buy unless you know how much it costs and how much money you have?
  - How do you decide when to set off on a journey unless you know how long it takes?
- It is even more important in business, because the consequences of getting it wrong are much greater – you don't just miss the bus or have to borrow money from your Mum for the disco, you could end up going bankrupt.
- You also need to know where you went wrong. You can't make a decision on what to change, if you don't know what you expected to happen in the first place.
- Sometimes, in business, you may be in a position to take a decision based on actual, hard facts. This is unusual, however. Normally you have to take decisions based on what you **expect** to happen, not what you **know** will happen.
- In school we are constantly told there is a right and wrong answer, and we are expected to get it right. Most decisions cannot be said to be definitely right, or definitely wrong at the time; later, it may turn out the decision was wrong, because things did not happen the way they were expected to, when the decision was taken.
- As long as the assumptions made at the time the decision was taken were realistic, **no one should feel guilty about having been wrong**.
- Every time we take a decision we take a risk, because we have rejected alternative decisions, and every time we take a risk, we know it may turn out to have been safer to do something else.

Now hand out **Activity Sheet 1**.

1. Encourage the students to consider how they go about finding the answer, rather than worrying about the answer being accurate.
2. If you have time, look at the students' assumptions and tell them to work out if this would still have been the right answer if it turned out one of their assumptions was wrong (e.g. number of texts they sent, how many calls were to other networks).
3. Hand out **Case Study 1**, providing the worked example.

Activity Sheet 1

You have decided you want a new mobile phone, and you want to have a 12-month contract. You have to choose between:

	Anytime 25	Anytime 35	Anytime 40
Cost of phone	£50.00	Free	Free
Cost per month	£25.00	£35.00	£40.00
Free texts	100	250	500
Free minutes	150	500	500
Cost of calls to same network	18p	10p	10p
Cost of calls to other networks	40p	35p	35p
Cost of texts	12p	12p	12p

If this was your decision, based on how much you use your phone, who you ring etc., which would be the best tariff?

INTRODUCTION TO FINANCE

Case Study 1

DAN AND EMILY'S MOBILE PHONE CHOICE

Dan and Emily decided they each wanted a new mobile phone, and a 12 months contract. They had to choose between:

	Anytime 25	Anytime 35	Anytime 40
Cost of phone	£50.00	Free	Free
Cost per month	£25.00	£35.00	£40.00
Free texts	100	250	500
Free minutes	150	500	500
Cost of calls to same network	18p	10p	10p
Cost of calls to other networks	40p	35p	35p
Cost of texts	12p	12p	12p

They both worked out the annual cost of each contract:

Anytime 25 = £350 (including phone)
Anytime 35 = £420
Anytime 40 = £480

Dan

Dan thought he would send 250 texts, use 400 minutes of calls, half to other networks. He worked out this meant he would be better off with Anytime 35. However, as it turned out, he sent 300 texts, but only used 250 minutes. He would have been better off if he had chosen Anytime 25.

	Dan's Plan		Actual	
	Anytime 25	Anytime 35	Anytime 25	Anytime 35
Extra texts	£18.00	0	£24.00	£6.00
Extra minutes, same network	£22.50	0	£9.00	0
Extra minutes, other networks	£50.00	0	£20.00	0
Cost of annual contract	£350.00	£420.00	£350.00	£420.00
Total	**£440.50**	**£420.00**	**£403.00**	£426.00

Emily

Emily thought she would send 400 texts, but only use 100 minutes of calls, all to the same network. She worked out this would mean it was cheapest to

go for Anytime 25. In fact, she was right about the texts, but she also made 300 minutes of calls, 75% to other networks. It actually made no difference whether she chose Anytime 25 or 35, except she had to pay for the phone at the beginning.

	Emily's Plan			Actual		
	Anytime 25	Anytime 35	Anytime 40	Anytime 25	Anytime 35	Anytime 40
Extra texts	£36.00	£18.00	0	£36.00	£18.00	0
Extra minutes, same network	0	0	0	£7.00	0	0
Extra minutes, other networks	0	0	0	£45.00	0	0
Cost of annual contract	£350.00	£420.00	£480.00	£350.00	£420.00	£480.00
Total	**£386.00**	**£438.00**	**£480.00**	**£438.00**	**£438.00**	**£480.00**

INTRODUCTION TO FINANCE

Facilitator Notes 3

This session lasts 1 hour 30 minutes; spend a maximum of 30 minutes on the introduction.

- Remind the students of the Business Plan Template they were given in Workshop 2.
- Cover the material on **Factsheet 1**.
- Hand out **Case Study 2**. On the actual Cash Flow, explain the following: This is how Jane's business went in the first year. She had not planned for the seasonal nature of the business, so when sales fell off in the autumn, she ran out of money to pay her bills by the end of November. She would have had to go back to the bank and ask for another £1,000, and if they said 'no', she would have gone bust, even though she was on target to make a profit of £10,235 for the year, only 15% below her forecast.
- Hand out **Activity Sheet 2**.
- The students should spend the rest of the session working on the financial forecasts for the businesses they selected to work on in Workshop 2.
- Check on their progress at regular intervals.
- At the end of the session, ask each group to give a brief summary of their progress on the financial planning.

Factsheet 1

PROFIT AND LOSS/CASH FLOW

This section covers what finance information it is essential to have for a Business Plan for a new business.

- There are two things you must know, before risking your own money and time, or someone else's money and time, in a new business venture.
- You need to know whether the idea is likely to generate a profit, and whether you will have enough money coming in to run the business without going bankrupt.
- The first is called a **Profit and Loss Account**. This has to be calculated at the end of a period, that is, you have to assume you have been trading for a certain time and then look at the balance of income versus expenditure at the end of that period. This is usually a year.
- A Profit and Loss Account is perfectly simple: you take the amount of money coming in, from whatever you are selling, and take away from that all the things you had to spend money on. The important thing to remember here is that it is not only the cost of what you are selling that you have to take away – it is everything else as well, the cost of salaries (including yours), heating, lighting, insurance, advertising, rent etc.
- You can forecast what your profit (or loss) might be after a year by making assumptions the same way as you would in selecting a mobile phone tariff. You need to 'guess':
  - the number of sales you will make
  - the cost of each sale (the material cost, if it is a product)
  - what all your other costs will be.
- You will have to make notes on why you think these are the right estimates, so you can check what went wrong, if your forecast is inaccurate, and to convince other people you know what you are talking about.
- The second question, will you have enough money, requires a **Cash Flow Forecast**. For a new business this will need to include your start-up costs, that is, what money you need to get going. Any investor will be looking to see how soon you can pay this back.
- Also, although you might think it is obvious that if you are making a profit, you will always have enough money, this is definitely not true. If the bills come in before the money does, you will go bust if you cannot pay them, so you need to make sure your start-up funds allow you to trade for long enough to realise your profit.

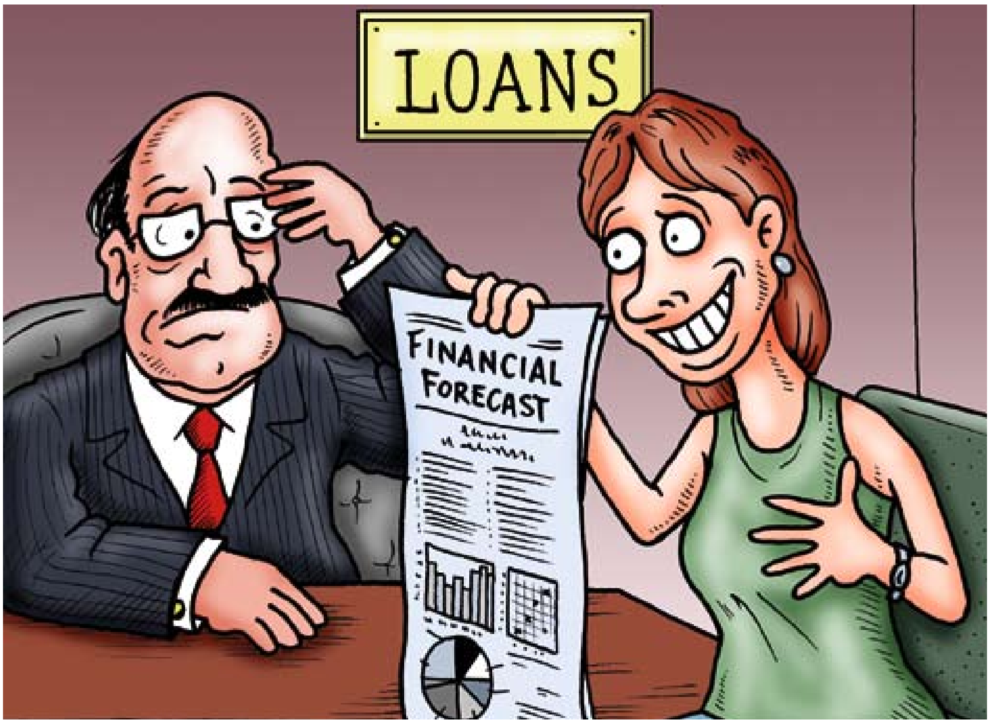
Factsheet 1 *continued*

- Filling in a Profit and Loss form and a Cash Flow form is a mathematical task, like any other. You need to put the numbers in the boxes and calculate the answers, or work out how to set up a formula in Excel to calculate the answers for you. It is not necessary to be good at maths to do this – you just have to be diligent to make sure you have written down the right numbers.
- The important thing about these forms is to understand what they mean, when you have filled them in. This is using numbers as if they were words, telling you information you need to make a decision.

INTRODUCTION TO FINANCE

Case Study 2

JANE'S FLOWER STALL



Jane has decided to set up a flower stall and needs to go to a bank or a relative and borrow money. She needs to have financial forecasts to show it is a good investment.

Jane's forecasts were:

1. She would sell an average of 20 bunches of flowers a day, with 5 stems per bunch at a cost of £1.50 per stem.
2. It would cost her £0.50 per stem to buy the flowers (allowing for wasting some).
3. She would need a van to go to the wholesale market, at £150 per week, hire and petrol.
4. She would employ someone part time to help.
5. Rent for her stall would cost her £100 per week.

This is what she presented to the bank, to borrow £3,000 to set it up.

Case Study 2 *continued*

Profit and Loss Account

	Year 1	Comment
Income:		
No. of Sales	6,240	Bunches of flowers, 5 stems per bunch
Average Income per Sale £	7.50	At average of £1.50 per stem
Income £	**46,800.00**	
Less Cost of Sales (materials)	15,600.00	At average of £0.50 per stem
Gross Profit £	**31, 200.00**	
Expenses:		
Salaries	6,000.00	Part time assistant
Advertising	200.00	
Rent, rates, insurance etc.	5,200.00	Hire of market stall
Van costs	7,800.00	Hire of van + petrol
Total Expenses	**19,200.00**	
Total Profit	**12,000.00**	

The bank agreed to lend her the money, but look at the cash flow forecast on the next page, and you will see she put her business at risk by not asking for enough money.

Case Study 2 *continued*

Jane's Flower Stall, Actual Cash Flow

CASH IN £	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**April**	**May**	**Total**
Investment	3,000	—	—	—	—	—	—	—	—	—	—	—	3,000
Sales	1,500	3,000	2,000	2,000	1,500	1,500	4,000	3,000	6,000	8,000	6,000	5,000	43,500
Total In	**4,500**	**3,000**	**2,000**	**2,000**	**1,500**	**1,500**	**4,000**	**3,000**	**6,000**	**8,000**	**6,000**	**5,000**	**46,500**
CASH OUT £													
Start-up Costs	2,000												2,000
Cost of Sales	500	1,000	700	700	500	500	1,670	1,330	2000	2,665	2,000	1,500	15,065
Other Expenses	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200
Total Out	**4,100**	**2,600**	**2,300**	**2,300**	**2,100**	**2,100**	**3,270**	**2,930**	**3,600**	**4,265**	**3,600**	**3,100**	**36,265**
Total in/(out)	**400**	**400**	**–300**	**–300**	**–600**	**–600**	**730**	**70**	**2,400**	**3,735**	**2,400**	**1,900**	**10,235**
Cumulative in/(out)	400	800	500	200	–400	–1,000	–270	–200	2,200	5,935	8,335	10,235	

INTRODUCTION TO FINANCE

Activity Sheet 2

You are now going to work on the financial forecasts for your business idea. Use the Business Plan template to help you.

Work on the Profit and Loss Account first, and then the Cash Flow Forecast.

If at first your numbers don't work, and it looks as if you will be making either an unrealistically high profit or a loss, then think again about your business model and the assumptions you have made, and see what you could adjust.

At the end of the session, you will be asked to summarise where you have got to on your financial forecasting.

Introduction to Presentation Techniques

CONTENTS

Aims and Objectives

This workshop will give you the skills and confidence to make presentations, particularly of business ideas. It will give you the opportunity to present the business idea which you have been developing in the first three workshops, as if you were pitching it to an investor.

By the end of the day you should be able to:

- Understand how messages are received, and the particular importance of body language
- Use various techniques to deal with nerves
- Structure a business presentation
- Make best use of Powerpoint and other visual aids

INTRODUCTION TO PRESENTATION TECHNIQUES

Icebreaker

This session should last 15 minutes.

Just Half a Minute

Ask for four volunteers to play this shorter version of the radio show, **Just a Minute**.

Each volunteer is asked to speak for just half a minute on a given topic. Choose simple topics such as:

- My favourite sport
- My best friend
- Where I'd like to go on holiday
- Best and worst films I've seen

Use a stopwatch to time the talk, stopping it when interrupted.

Participants are provided with buzzers to interrupt the speaker for:

- hesitation
- repetition
- deviation.

For a correct interruption, one point is awarded and the subject is passed to the student who has interrupted; for an incorrect interruption, the speaker gets an extra point and keeps the subject. An additional point is awarded to the person speaking at the end of the round.

The purpose of this activity is to show the students how difficult it can be to speak fluently and without hesitation for even a very short period of time.

INTRODUCTION TO PRESENTATION TECHNIQUES

Facilitator Notes

The first session should take 45 minutes.

1. Tell the group that you are going to talk to them about presentation techniques. Do this badly: quiet, mumbling, no eye contact, slouching, hands in pockets, etc.
2. After a few minutes, go out and come back in: ask the group what was wrong with the way you were presenting and what you could do better. Ask for a volunteer to come out and role play a more confident introduction to the topic, or else do it yourself.
3. Go through the PowerPoint presentation, which covers the key points from the Factsheet, then hand out the Factsheet.
4. Explain that after the break, students will be working in their teams to put together a presentation for their business idea. Because of time limitations, they will not be using Powerpoint at this stage, but will be encouraged to use other visual aids as appropriate.
5. For the final session of the day, each team will have five minutes to make their presentation and to answer questions from the panel.

Factsheet

FACTS ABOUT GOOD PRESENTATION

How messages are received

It is possible for anyone to improve their presentation skills by being aware of certain facts.

How do you think people people take in what they are listening to? Research shows that the answer is:

- Content: 7%
- Voice: 38%
- Body language: 55%.

How can you get your **body language** right for making a presentation – whether it's a business presentation or a best man's speech?

Posture

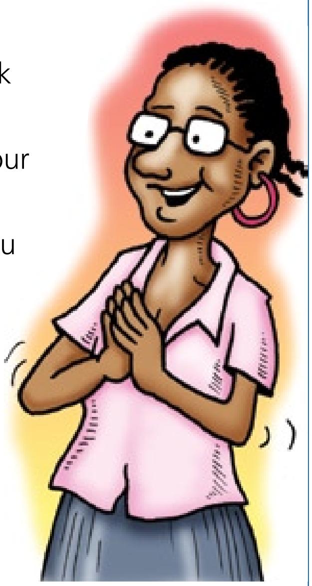
- Stand up straight with your feet slightly apart.
- Lean slightly towards the audience – this shows that you are actively engaging with them.
- Don't put your hands on your hips, or in your pockets, or behind your back, or folded across your chest. Put them in the steeple position: hold them together in front of you as if you are applauding, then part them when you want to gesture to emphasise a point.

Eye contact

- Lack of eye contact can ruin a presentation. The audience needs to feel that you are talking to them, not to yourself, your notes, or your PowerPoint presentation.
- Don't look out of the window, or over the heads of your audience, or at one spot straight ahead of you. Do look around the room, and do look at individuals. Make eye contact with as many individuals as possible. If you are talking to just one or two people, you still need to look at them!
- Do make eye contact at the end of a thought. A pause after an important point, while you look at the audience, will tend to make them nod in agreement.

How can you make your **voice** work for you?

- Warm your voice up before you start, so that it doesn't crack: hum, talk to yourself.
- Don't be monotonous: vary the pitch and volume of your voice. Use your voice to emphasise key words and points.
- Don't speak too fast. If you are desperate to get to the end of what you are saying, the audience will find it hard to follow, and you are more likely to make mistakes. If you do get mixed up, don't worry, just slow down.
- Don't be afraid to pause. Pauses allow the audience to take in what you've been saying – and they seem much shorter to the audience than they do to the speaker.
- Use humour where it's appropriate, and if it feels natural for you to do so.



Dealing with nerves

Everyone gets nervous when they have to stand up in front of an audience. A little nervousness is a good thing; it's the feeling of adrenaline coursing through your body, and it can help you to give a more animated performance. However, to your audience, you want to appear calm, so use these techniques:

- **Breathe**. Take a deep breath, hold it, then breathe out slowly. Do this several times.
- **Stretch**. Roll your head clockwise three times, then anti-clockwise. Stretch each arm in turn up as far as it will go. Open your mouth as wide as possible, then close it; repeat several times. This will help to relive tension in the jaw.
- **Disguise the symptoms**. Be careful not to fidget, not to pace up and down, and if you feel your hands are shaking, put them in the steeple position.
- **Have water handy**. If nerves make your mouth feel dry, take a sip of water; it's also useful if you need to pause and gather your thoughts.
- **If you haven't got water, bite your tongue!** It's another good way of dealing with a dry mouth.

Factsheet *continued*

Be prepared

You will feel much less nervous if you are well prepared.

- Make sure you've done your **research**, so that you are confident about what you are talking about.
- **Practise!** You can't tell what your presentation will sound like, or how long it will take, unless you practise **out loud!** Don't memorise it word for word, but practising will make you feel more confident.
- **Write out your introduction and conclusion**. These are the most important parts of any presentation, and the ones where you are likely to feel most nervous.
- **Check** your equipment, your notes and your visual aids.

Putting together a presentation to sell a business idea

When it's a business idea that you are trying to sell, **content** does matter, however good your presentation techniques might be.

- Always remember the **purpose** of your presentation: you are trying to persuade the investor that your idea is a good one, good enough and sound enough for them to invest in.
- Tell a **story** with a beginning, a middle and an end. The ending should be that you are successful in persuading the investor to fund your idea, or at least take the discussions forward.
- Keep the **structure** clear and simple. Follow the outline of the Business Plan. Remember that the beginning and end are most important, as they are what people remember most clearly.
- Don't feel you have to cover every aspect at the same **level of detail**: concentrate on what's really important to you. But if you have skated over something, remember that you may be asked questions about it later, so be prepared.
- Adding something **personal** can mean that the investor remembers you – for example, tell a personal story about what led you to develop this particular business idea.
- Have a strong **conclusion** – emphasise when the investor will get their money back!
- Anticipate the **questions** that you are likely to be asked, and make sure that you have prepared some good answers.

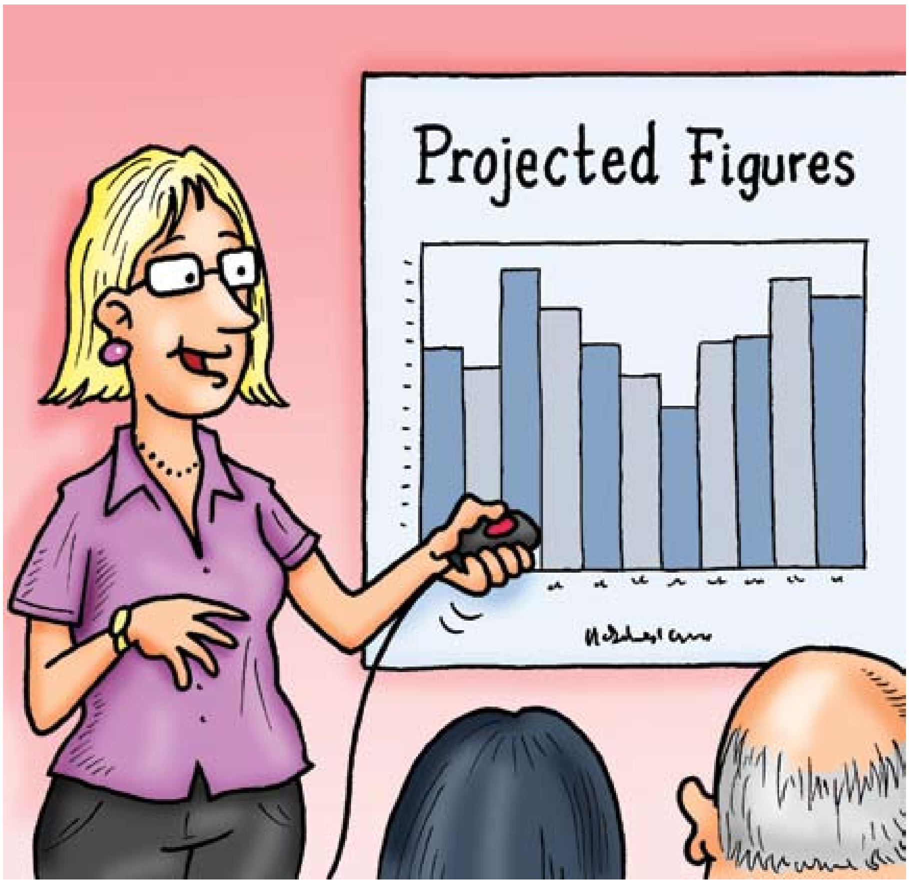
Visual aids for a business presentation

- **Don't write out a full script**. You need to sound as if you are talking with confidence about your idea, not reading from a piece of paper. And holding a piece of paper when you are nervous tends to lead to loud rustling sounds!
- **Do use index cards**. Cards will help you keep on track, with key words and sentences to ensure you don't forget anything important. Use large writing with plenty of white space around it so that the cards are easy to read. Use only one side of each card, and join them together or number them in case you drop them and have to put them back in order.
- **Prepare clear visual aids**. If you are going to show pictures, figures, or diagrams, make sure that they are large and clear enough for the audience to take them in – the actual size will depend on the size of the audience. If you want to make a point by writing on a flipchart, make sure that your writing is clear and your spelling is accurate!

Uses and abuses of PowerPoint

PowerPoint can be a powerful tool to help you get across the key points of your presentation and to focus the attention of your audience, or it can turn your presentation into a disaster. Here are some of the most common pitfalls to avoid:

- Don't use too many words on a slide. Just use key words, not full sentences. Too many words = type that is too small for the audience to read, and they will be straining to read the words instead of listening to you.
- Don't read your slides to the audience. There is nothing more boring then listening to someone who is looking at the screen, not at the audience, and reading out the exact words that the audience has already read.
- Don't use too complex a design. Don't use several different typefaces and don't use all uppercase text. Use bold for emphasis, not underlining. Go for clear, large type that is easy to read, and a background that doesn't overpower the content. And check your spelling!
- Make sure that charts and diagrams are clear, and labelling is large enough for the audience to read.
- Don't use too many whizzy special effects. The audience gets turned off by waiting for words to fly on to the screen, turn 360 degrees, and change colour.



But PowerPoint can be an excellent tool when it is used properly.

- Unlike with traditional slides, you don't have to give your presentation in the dark, so you can look at your audience.
- The key words on your slides mean that you won't lose your place in your presentation, and you won't need index cards. If you want a bit more detail to remind you of what to say, you can use the useful 'Notes' feature, which has space under each slide
- You can use images, graphics, clip art to make points without using words, and short sound or video clips where this will really enhance the content. We take in information through all our senses, so looking as well as listening can help the audience to remember.

Powerpoint presentation

Presentation Techniques

and pitfalls to avoid

How messages are received

- Content: 7%
- Voice: 38%
- Body language: 55%

Powerpoint presentation *continued*

Body language

- Posture
- Using your hands: the steeple position
- Eye contact

Voice

- Warm up
- Vary pitch and volume
- Slow down
- Don't be afraid to pause

Dealing with nerves

- Breathe
- Stretch
- Don’t fidget; put your hands in the steeple position
- Drink water

Be prepared

- Do your research
- Practise out loud
- Write out your introduction and conclusion
- Check your equipment and notes

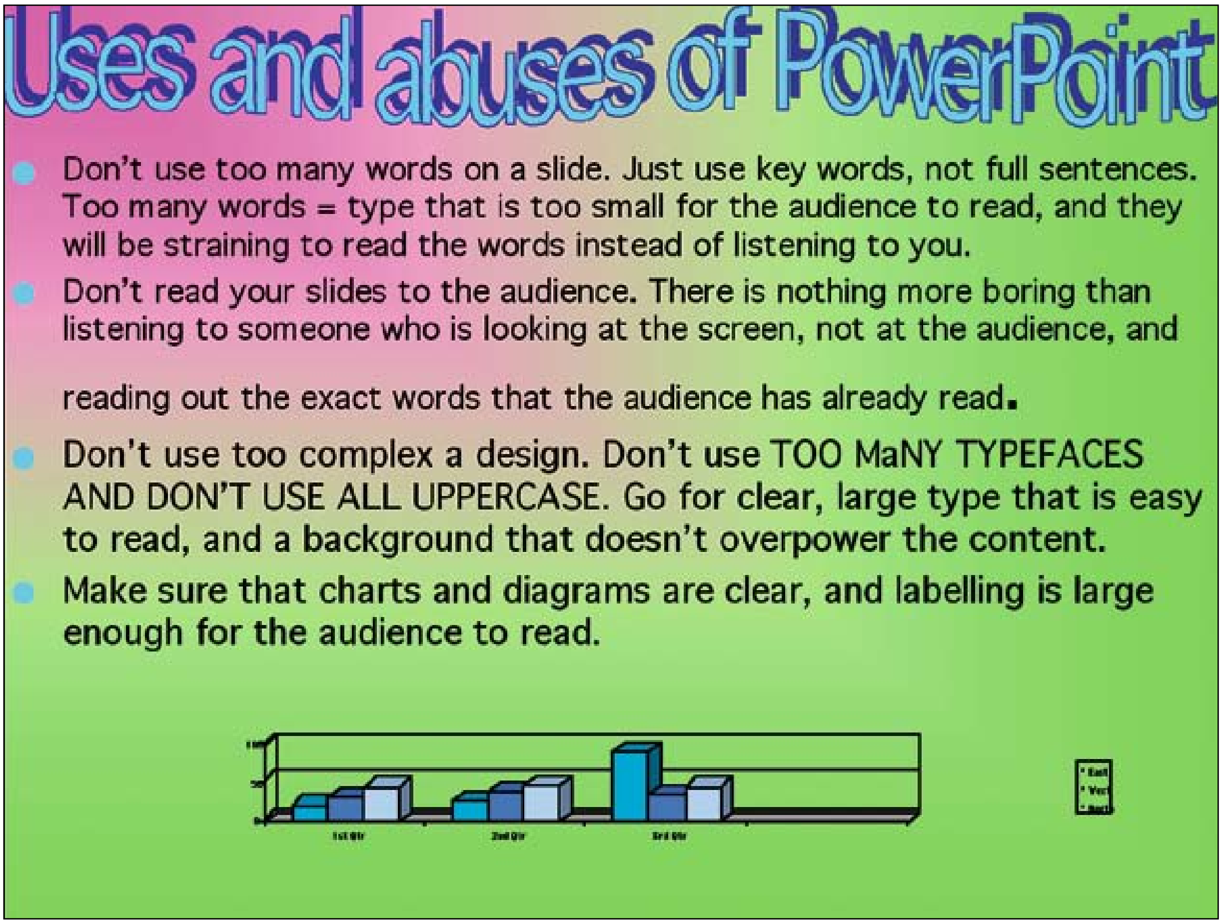
Presenting a business idea

- Remember the **purpose**
- Tell a **story**
- Keep the **structure** clear and simple
- Add something **personal**
- Have a strong **conclusion**
- Anticipate **questions** and prepare answers

Using prompts and visual aids

- Don’t write out a full script
- Do use index cards
- Prepare large, clear visual aids
- Make sure figures, labels, etc. can be read easily
- On a flipchart, write clearly and spell accurately!

Powerpoint presentation *continued*



Special Effects

- Don't use TOO many whizzy special effects
- The audience gets bored waiting for …

  Words to change colour

  … Or do flips

  Or fly in!

Advantages of Powerpoint

- You can look at your audience
- You won't lose your place
- You can use the notes feature for extra prompts
- You can make points using images, graphics, clip art, video, etc.

THE ENTREPRENEURSHIP EXPERIENCE

This programme is aimed at Year 12/13 students who have an interest in setting up or running a business or organisation. It is designed to underpin a course of Business Studies.

Funded by SEEDA, Oxfordshire County Council and the European Union via the GROW secretariat

Do you want to be an Entrepreneur?

CONTENTS

DO YOU WANT TO BE AN ENTREPRENEUR?

Aims and Objectives

This workshop is about understanding what makes an entrepreneur, and understanding your own personality, so that you can see if setting up a business might be the right route for you in the future.

By the end of the workshop you should be able to:

- Understand the pros and cons of being an entrepreneur, and the characteristics of the people who choose to set up their own businesses
- Understand the different organisational models for businesses, and judge which of them would suit you best
- Understand more about the kind of person you are, your strengths and weaknesses, and whether others agree with your self-perception
- Visualise how you would like your life to turn out in the future

Icebreaker

This session should last 15 minutes.

The objectives of this icebreaker are:

– To allow the students to get to know each other.
– To make them realise they are different to each other but each of them has strengths.

1. Divide the students up into tables of 4–6.
2. Each table has a deck of cards. Deal each person at the table a 'hand' of five cards.
3. Tell the students to put their cards, face up, in order of how well the attributes on the card describe them, least well on the left, closest on the right.
4. Allow five minutes of 'trading', when the students can swap the cards that do not describe them for those of other students.
5. At the end of this, tell them they have to discard two of the attributes, leaving just three to describe themselves.
6. Tell them to share these with the other people round the table, and to record them on the outside of their folders to remind themselves of their positive attributes.

Words on cards:

decisive	thoughtful	kindly
encouraging	caring	outspoken
imaginative	enthusiastic	truthful
sensitive	impulsive	fascinating
friendly	spontaneous	receptive
bubbly	good listener	witty
amusing	good talker	warm
reliable	good memory	humorous
agreeable	determined	practical
patient	objective	systematic
happy	good judgement	hard working
organised	gentle	relaxed
energetic	generous	diligent

DO YOU WANT TO BE AN ENTREPRENEUR?

Icebreaker *continued*

ebullient	courageous	ambitious
direct	serious	demanding
sympathetic	discerning	strong minded
easy going	co-operative	orderly
curious	mild	tidy
self confident	painstaking	good sense of style
unorthodox	conscientious	ingenious
extrovert	dedicated	careful
communicative	single-minded	considerate
challenging	optimistic	dependable
dynamic	soothing	safe

DO YOU WANT TO BE AN ENTREPRENEUR?

Facilitator Notes 1

This session should last 45 minutes.

Ask the group what the word 'entrepreneur' means to them and write up all their responses on a flipchart.

Draw out an agreed definition with the group, e.g.

- Someone who can spot an opportunity and exploits it commercially
- Someone who is willing to accept risk and uncertainty in order to achieve their goals

Ask the group for examples of entrepreneurs – both famous names and people known to them individually. Draw out why they think these people took the entrepreneurial route, and why they were (or weren't) successful.

Cover the rest of the material on **Factsheet 1**.

Now arrange the students into teams of five or six. Hand out copies of the case studies (one case study per team, one copy per student) and copies of **Activity Sheet 1**.

Allow the teams approximately 15 minutes to read and discuss the case studies, and then ask them each to report back to the group. Discuss whether there are common features to the stories.

Hand out **Factsheet 1** at the end of the session.

DO YOU WANT TO BE AN ENTREPRENEUR?

Factsheet 1

ENTREPRENEURS – WHAT IT TAKES

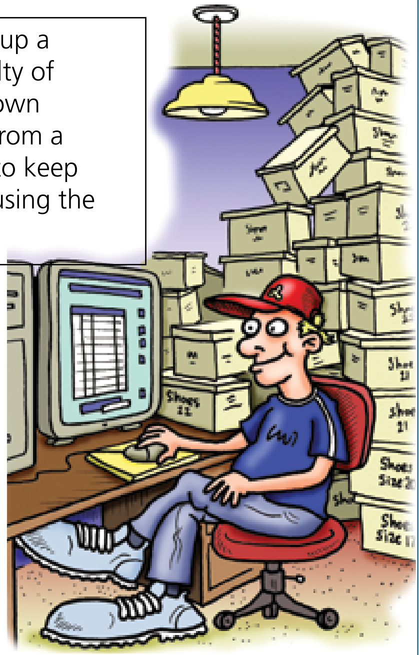
For the economy to flourish, we need entrepreneurs. At a time when the pace of change is greater than ever before, it is the small, entrepreneurial firms that can spot new opportunities, react quickly, and meet the particular needs of their customers.

Although a high percentage of new businesses fail, the really successful ones can grow to become household names and to change the way we live. Amazon changed the ways we buy books, McDonalds changed the way we eat, Tim Berners Lee, creator of the World Wide Web, changed the way in which people all over the world communicate.

Entrepreneurs come in all shapes and sizes. Women now account for around one third of all new start-ups, and the proportion is growing, as women look for opportunities for a better work-life balance, choosing where and when they work.

Many people choose to start up their own business in middle age, building on the experience and contacts they have gained in their working life: either because they have had enough of corporate life, or increasingly because they have been made redundant and have some money to invest. But the other significant age group is young people who start their entrepreneurial careers while still at school.

An example is Oliver Bridge, a schoolboy from Cambridgeshire, who set up a company called Bigger Feet at the age of 16. Frustration with the difficulty of buying shoes for his own larger-than-average feet led him to set up his own business, selling shoes in large sizes via his website. The business is run from a tiny office in the family home, and the limited space means that he has to keep his stock very low – which also helps with his cash flow. And he will be using the money he makes from the business to fund his university education.



Characteristics of entrepreneurs

Entrepreneurs are people who can spot an opportunity and have the vision and drive to exploit it. They are:

- Independent – they want to set their own agenda
- Innovative – they have creative ideas and can link them to the needs of the market place
- Opportunistic – they actively seek out ways of making money

- Self-confident, strong characters – they need to believe in themselves in order to inspire others to believe in them
- Self-motivated – they are driven by a strong inner need for achievement; they know that success or failure lies within their own control
- Proactive and decisive – they often act first and learn from it later, and they can be impatient
- Hard working and good at multi-tasking – typically, they have to do everything themselves in the early stages
- Willing to take risks and live with uncertainty – at times, they will gamble everything, but they will learn from failure and start again

What motivates entrepreneurs?

- Some are driven by the idea of making lots of money and having financial freedom.
- For others, it's an outlet for their creativity. They may become serial entrepreneurs, developing one great idea after another.
- Some want to build on a hobby they have, to base their working life on something they love.
- Some will become social entrepreneurs, motivated by using their entrepreneurial skills for the benefit of others.
- Others have dreams of building up a huge business and becoming a household name.
- All want the satisfaction of having something that is their own.

What are the downsides?

- For most entrepreneurs, especially in the early stages, it's very hard work – long hours, and the responsibility can be stressful.
- You can't switch off and go home at the end of the day, if your business is run from home.
- There is no regular salary – you pay yourself only when you can afford to!
- You have to live with risk and uncertainty, and so do your family.

What different routes are there for entrepreneurs?

1. Self-employment/consultancy

This is for people whose experience in or outside work has made them an expert in something, and who then sell their time and expertise to their customers.

2. Network marketing

This is where you sign up for a distributorship with a network marketing company: you buy their products as a wholesaler and sell them on, and grow your business by introducing other people to the company. They in turn become distributors, and you earn a percentage of the sales from your group.

3. Royalties

This is for people who create something with commercial potential and sell it on: authors who earn royalties from publishers, or inventors who sell their ideas to a company in exchange for a royalty deal.

4. Franchises

This is where you buy into a system that is already tried and tested, such as McDonalds or a car dealership, and then you run it. A franchise can be less risky than a start-up, but you need a capital sum to invest in the first place.

5. Start-up

This is the hardest route, as you are likely to be looking at a new product or service, with no established customers or business model. But for most entrepreneurs, it's the most exciting route, the one that will help them reach their individual goals. It's also the route taken by some of the world's richest people!

Sources of help and advice

If you decide that entrepreneurship is for you, then the following organisations can help:

The Prince's Trust

Help and financial support for young people looking to start a business.
www.princes-trust.org.uk

Shell LiveWIRE

Help and advice for 16–30 year olds setting up in business.
www.shell-livewire.org

Business Link

Advice on government funding, grants and starting a business.
www.businesslink.org

DO YOU WANT TO BE AN ENTREPRENEUR?

Activity sheet 1

Read the case study of an entrepreneur provided to you. Each team has a different case study.

In your teams, discuss:

- What attributes did this person have that made him/her a successful entrepreneur?
- What problems did they face on the way, and what decisions did they take to overcome the problems?

Each team then tells the story from their case study to the whole group, and gives their opinions on the points above.

DO YOU WANT TO BE AN ENTREPRENEUR?

Entrepreneur Case Studies 1

Name: James Averdieck

Company: Gü Chocolate Puds

Background: James came from a family of businessmen running their own businesses and always wanted to follow suit. He began his career working in food retailing (Safeway) and production (St. Ivel).

The Idea: He realised that the excellent puddings and pastries available in France and Belgium were not sold over here, and that there were very few high quality, luxury desserts on sale in the supermarkets. He decided that being able to buy something ready made, but of top quality, would be an appealing idea for British buyers.

The Approach: He made contact with a small food manufacturing company wanting to expand their range, and went into partnership with them, creating puddings based on the ones James had tried on the continent. They concentrated on the packaging (using glass ramekins for the chocolate puddings) as well as the ingredients, to give the range an edge.

Biggest Positive Contribution to Success: James knew a strong brand was essential to launch the company, and he paid a lot of money to a branding agency, Big Fish, to come up with the name and the packaging.

Biggest Problem: In this market, the only way to achieve a high sales volume is through supermarkets, and they need a guaranteed supply chain and a wide range, with new additions to keep the buyer interested. Because of his background experience, James knew how to sell to supermarket buyers, and how to organise good distribution, so was able to overcome this.

DO YOU WANT TO BE AN ENTREPRENEUR?

Entrepreneur Case Studies 2

Name: Mike Clare

Company: Dreams (Bed superstore)

Background: As a teenager, Mike took a bucket and washed people's cars, and then started selling second hand tents, to make a bit of money. When he left school, he worked as an area manager for a furniture retail company, but had an ambition to start his own store, from his early twenties.

The Idea: It was the mid 1980s and sofa beds were just beginning to be introduced. Mike decided to set up his own shop specialising in sofa beds, a new niche in the market.

The Approach: He went to the bank for a loan, but they needed him to come up with some of his own money, so he took out a credit card loan, sold his car and put in his savings. He bought the lease on a run down store in Hillingdon and did it up himself, while finding sources of sofa beds. He organised a grand opening, with plenty of publicity, and had an immediate success.

Biggest Positive Contribution to Success: It was a new product and the demand was therefore strong. However, Mike's success over the years has been built on always being ready to move on, and he swiftly realised that sofa beds was too narrow a business model to work if he was going to expand, and he needed to add either other sofas or other beds. He chose beds, because they fitted in the vans he was using to collect and deliver sofa beds.

Biggest Problem: Start up problems were immense, because he had so little money, and was having to persuade suppliers to provide goods when he had no track record of paying bills. He had to start with the minimum amount of space and address issues such as storage as they came up. He overcame these by being ready to work hard, take decisions quickly and not let the customers or suppliers see quite how weak his position actually was.

DO YOU WANT TO BE AN ENTREPRENEUR?

Entrepreneur Case Studies 3

Names: Richard and David Darling

Company: Codemasters (computer game designers)

Background: Richard and David grew up with computers and gadgets and as soon as they had their first game machine, they started to create games for it. They sold their games by mail order, on cassette tapes, but once they had left school, they were employed by a computer games company to design low cost games for them.

The Idea: The brothers realised they were a significant force in the computer games design business, because they were introducing so many of them, so they first negotiated joint deals and share exchanges with their employers and then set up Codemasters, using the money they had made.

The Approach: They decided to focus on low cost games and on 'simulator' games, selling first through specialist shops and then through high street retailers as their titles became popular.

Biggest Positive Contribution to Success: The two brothers were involved in something of greatest interest to young people, and the fact that they were only teenagers when they started was a great help. It brought publicity and meant they could understand what was going to sell and what the customer wanted.

Biggest Problem: By entering a market with newly developing technology, there was always a risk they would be left behind. They found they had to abandon their low cost stance as the market became more sophisticated, and eventually had to adapt to meet the new generation of technology, with Xbox etc. They needed to find money to invest to do this and went through some tough times, but the business is still thriving.

DO YOU WANT TO BE AN ENTREPRENEUR?

Entrepreneur Case Studies 4

Name: James Murray-Wells

Company: Glasses Direct

Background: James was always interested in business and the internet, but went to university to study English, with no clear idea what to do next.

The Idea: When he needed glasses for the first time, as a student, James was horrified at how much they cost. He carried out research into the true, manufacturing costs, and discovered these were actually very low, so decided he could afford to undercut opticians and sell glasses direct over the internet.

The Approach: James needed to invest almost nothing at the start. He and a friend built the website and launched it, and arranged for suppliers of frames to supply him when the orders started to come in. They came in very slowly at first, so he did a leaflet campaign, handing these out on trains, to increase hits on his site. This worked.

Biggest Positive Contribution to Success: The idea. James had really hit on a way to make use of the internet to generate sales in a way no one else had come up with. Everyone thought it would be impossible to sell glasses this way, because people like to try them on, and because the lenses are unique to the customer, the glasses cannot be sold to someone else if they are returned. James overcame both these problems, by building a facility for customers to try glasses on a digital picture of themselves, and by allowing for returns in his financial model.

Biggest Problem: It is easy to replicate the idea. The company only launched in the UK, and it now faces competition when it wants to launch in other markets, because there are other brands now competing for the customers.

Entrepreneur Case Studies 5

Name: Laura Tenison

Company: JoJo Maman Bébé

Background: Laura always knew she wanted to get into the clothes design business, and did an apprenticeship at Aquascutum. She decided to build up some capital before she started, and so spent three years setting up and running an agency to find UK buyers properties in rural France, using her language skills. She needed little money to start this business and was able to sell it and use the capital to back a new venture.

The Idea: In hospital, recovering from a car accident, Laura was in a bed next to a mother who complained she could not find good mail order clothes for her young children. Out of hospital, Laura did some research, including mailing out 10,000 questionnaires, to find out if this was a gap, and proved it was, but not only for baby clothes but for maternity wear as well.

The Approach: Laura did her own designs and found manufacturers to make them for her. She decided to do mail order only, to create a 'mass market' without too many overheads. She invested heavily in designing, printing and mailing out the catalogue, and found companies in Colombia to produce the clothes in small enough batches at a low enough cost to allow her to make a profit.

Biggest Positive Contribution to Success: There was a gap in the market, as Laura had established. Good designs and good service were, and still are, the JoJo Maman Bébé watchwords, and this enabled them to build up sales.

Biggest Problem: Finance. Despite starting out with a good investment, the margins were small, and with the clothing being sourced from abroad, fluctuations in the value of the pound had a big impact on how much money was being made. Laura had to mortgage her house to keep the company afloat. She increased sales through developing a website and opening stores in selected locations, and is still trading in what has become a very competitive market.

Entrepreneur Case Studies 6

Name: Maria Kempinska

Company: Jongleurs

Background: Maria was brought up on a council estate outside Watford by Polish refugee parents. She wanted to study psychiatry, but drifted away from the idea. Instead, she trained as a teacher and taught drama to Youth Clubs and other community centres. When she was 23 she was hired to promote a poet performing at the Edinburgh Fringe, and she loved it.

The Idea: Maria decided London needed a place to showcase new talent such as she had seen in Edinburgh. She wanted a venue where aspiring performers could come and be seen.

The Approach: She rented a large room over a pub in Battersea for Friday nights, and persuaded her bank to give an overdraft to fund it.

Biggest Positive Contribution to Success: Making the experience of visiting Jongleurs good enough for positive publicity. She found there were plenty of excellent stand-up comedians out there, but it was harder to find other acts who were good enough, so she only booked comedians. She also concentrated on making the club a good place to visit, irrespective of the entertainment.

Biggest Problem: Maria went into the venture with two friends who withdrew at the very start, and left her to run the club on her own, with no business experience at all. She felt she had little to lose, so went ahead with it anyway, and made a success. She has now sold the business to Regent Inns and is studying Psychotherapy.

DO YOU WANT TO BE AN ENTREPRENEUR?

Facilitator Notes 2

Organisational Models (click here to access Powerpoint slides)

This session should last 45 minutes and is supported by **Factsheet 2**, covering the three basic organisational types.

1. Cover the material on the **Factsheet**.
2. Outline each organisational type, and encourage the students to consider:
   a. What examples they might be able to think of
   b. What their school is like
   c. What their parents' workplace might be like
   d. What experience they have had themselves
   e. Whether they can think of any additional strengths or weaknesses
3. Hand out **Activity Sheet 2** and invite the students to discuss in groups or pairs which model would suit different individuals, and which one would suit them.
4. Invite feedback.

DO YOU WANT TO BE AN ENTREPRENEUR?

Factsheet 2

Organisational Models (click here to access Powerpoint slides)

Every organisation involving more than two or three people has a structure; that is, people within it have certain roles and relate to each other in certain ways. You will have experienced several of these – in a part-time job, in work experience, in sports teams, for example. **Having an efficient structure is as important in running a successful business as having the right people**. If the structure does not work, people waste their time, the business suffers and the staff will be unhappy, which is a disaster, because even if they don't leave, they will not be doing as good a job as they could do.

There is not one model that always works. In fact, there are thousands of ways companies can be structured, depending on their business needs, the people they employ, the way they have developed etc. However, they tend to fall into three main types, and you will find it helpful to understand these and to recognise them, because:

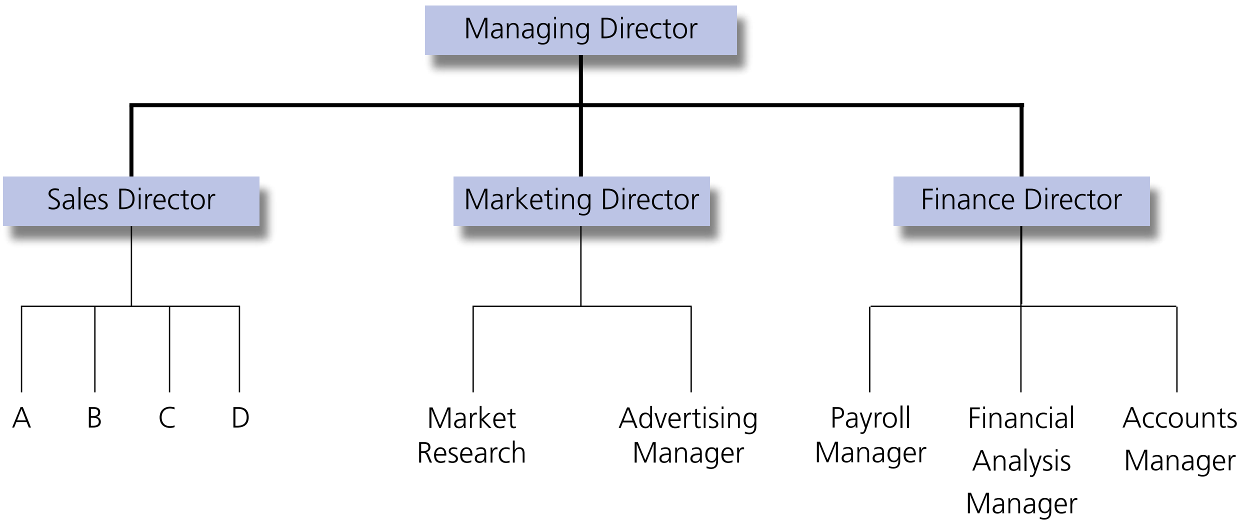
- You will be able to judge whether an organisation you might be thinking of joining has a structure that would suit you.
- You can recognise what sort of behaviour is necessary to be successful in the different types of structure you might come across.
- As large organisations can have different structures in different parts of their operation, it will also allow you to choose a career path and a behavioural model that suits you.
- If you set up your own organisation, you can make an informed choice on where to start.
- You can only introduce change if you understand the status quo, and if you are running your own organisation, you need to be alert to the need for organisational change as the business develops.

The three main organisational types are:

- Hierarchical structure
- Entrepreneurial structure
- Project/Team structure

Hierarchical Structure

A typical version of this would be the Army or the Police, but also any large company.



Characteristics:

- Each role has a clear job description specifying requirements, responsibilities and boundaries
- Communication tends to be formal
- Procedures dictate how the business operates

Strengths:

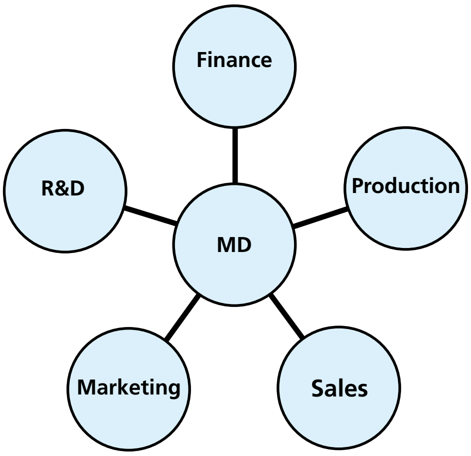
- Individuals know their job
- Tends to be fair to everyone
- Is effective at routine, unchanging tasks
- Easy to manage
- Good for individual career development
- Easy to draw up a person specification for recruitment

Weaknesses:

- Poor for creativity
- Is not good for rapidly changing situations
- Does not encourage independence or initiative
- Does not develop great leaders or entrepreneurs
- Is heavily dependent on management skills throughout the pyramid
- Is difficult to change without major upheaval

Entrepreneurial Structure

A typical example of this would be a start-up company.



Characteristics:

- Organised like a club of supporters for the strong personality of the boss
- Tends to operate with the minimum of rules
- Nature of the role is dictated by the relationship with the person at the centre

Strengths:

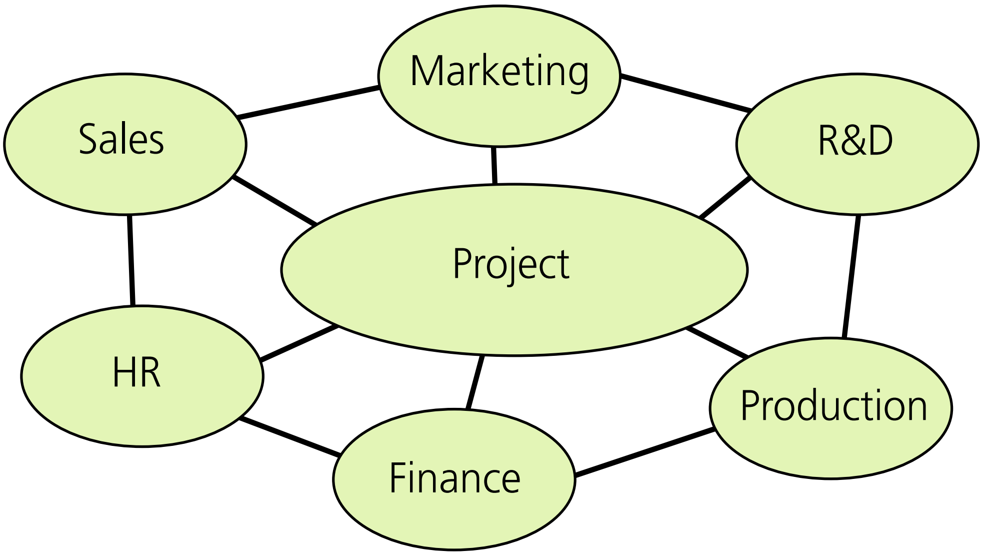
- Tends to be exciting and vibrant
- Can respond rapidly to crises or opportunities, so may lead to spectacular success
- Allows creativity to be rewarded
- Tends to attract people with potential to develop

Weaknesses:

- Is wholly dependent on the strength and character of the boss
- Can inhibit growth and quality, as not designed for repetition or uniformity
- May be one-dimensional, as boss selects people in his or her own image
- Can end up with skills imbalance, as recruitment will be on personality and drive more than skill set
- Difficult to manage, so may lead to spectacular disaster

Project/Team Structure

A typical example would be a company involved in delivering projects, like a house building company, or a software development company. Many large organisations also have projects being delivered within them, through this type of structure.



Characteristics:

- Organised as a team of talents focussed on a particular project or task
- Moves forward on the basis of plans, not procedures
- Job roles defined by reference to the needs of the project

Strengths:

- Creates an inclusive team culture and shared goals
- Allows challenge and questioning from all skills and disciplines
- Good for problem solving
- Avoids the cult of personality by focusing on the task

Weaknesses:

- Can be expensive, as it needs people to spend time talking to each other
- Is not efficient for repetitive and routine tasks
- Can have difficulty moving on
- Relies on a good mix of team skills to work
- The project can begin to seem more important than the organisation

Activity sheet 2

Organisational Models

Look at the description of the organisational models on **Factsheet 2**.
Which do you think would suit you, if what you really wanted was:

1. To be absolutely certain what my responsibilities are
2. To know everything that is going on
3. To be part of a team
4. To be allowed to have new ideas
5. To be able to see the point of what I'm doing
6. To be part of creating something
7. To be able to see what job I'm going to do next
8. To learn how to be an entrepreneur
9. Not to have to worry about whether someone likes me

Which one would suit you personally, and why?

DO YOU WANT TO BE AN ENTREPRENEUR?

Facilitator Notes 3a

Personal Profiles *(if using Belbin® Profiling)*

This session should last 45 minutes and is supported by **Factsheet 3**, covering personal strengths and weaknesses.

1. Cover the material on the **Factsheet**.
2. Using the analysis of results from the profiling of the students, discuss whether together they would make a good team.
3. Now give each individual their own profile, showing their 'preferred roles'. Also give each individual a copy of all the other students' profiles, but without names on (label them A, B, C etc.).
4. Ask each individual to choose, if they were starting a business, which other two profiles they would like as members of their team.
5. Discuss whether they are surprised at the results this throws up.
6. Hand out the full individual reports.

DO YOU WANT TO BE AN ENTREPRENEUR?

Facilitator Notes 3b

Personal Profiles

This session should last 45 minutes and is supported by **Factsheet 3**, covering personal strengths and weaknesses.

1. Cover the material on the **Factsheet**.
2. Hand out **Questionnaire 1**. This is about identifying the characteristics that are important for teams to work successfully.
3. Divide the students into teams of four, making sure they know the other students in their team well. Allow 15 minutes for them to fill in the questionnaire for themselves and their three team mates and to discuss the results.
4. Ask for feedback.
5. Hand out **Questionnaire 2**. This is about whether individuals have the characteristics needed to be a successful entrepreneur.
6. Allow five minutes for completion and discussion with one other person of their choice.
7. Invite the people with the highest scores from Questionnaire 2 to stand up. Explain that the higher the score, the more likely it is that they will be happy to set up in business by themselves.
8. Now ask these people to identify, from Questionnaire 1, what qualities they have scored at 0 or 1. Ask students who have scored 3 or 2 for these qualities to stand up. Indicate how the 'entrepreneurs' need the others, and that they have equal strengths; a successful team will need both.

Factsheet 3a

Personal Profiles

Education is all about **what you know**. What you know is important – if you know nothing, or cannot prove you know anything, there are going to be very few opportunities open to you in life. However, to make a success of life, you also have to have a realistic understanding of **who you are** – what sort of person are you, what environment would suit you, what you might enjoy doing. Employers will be looking to know that too, and will also want to know **what you can contribute**. This means, you need to:

- Understand your own identity. This will make it more likely you will make the right choices in life.
- Manage your strengths and weaknesses. Everyone has strengths, and everyone has weaknesses. If you undervalue your strengths, you cannot take best advantage of them. If you don't know your weaknesses, they will catch you out. If you know both your strengths and weaknesses, you will never mislead anyone, including yourself, on what you can and cannot do, and are therefore never likely to let anyone, including yourself, down.
- Learn to develop your team working abilities. This will make it easier to make a contribution, and easier to achieve results.
- Project yourself in the best way possible. You can only do this if you can be honest about yourself. If you can present a clear picture of yourself to the outside world, that is a picture you are happy about and one that realistically represents who you are, you are more likely to achieve personal fulfilment.

Belbin's **Team-role Theory** is very helpful in achieving these goals. The theory proposes that good teams work because the members have different strengths. With every strength comes weaknesses, and the role definitions also recognise that. Understanding your capabilities against the role definitions means:

- You should be able to see where you can best make a contribution.
- You can work out what negatives other people might see in your approach, and take account of this in the way you behave.
- You should be able to see the contribution other people, who are nothing like you, are making, and be able to appreciate their strengths rather than be irritated by their weaknesses.

The full range of roles is attached. No one has just one set of capabilities. Everyone will have some areas where they are strong, and some where they have very few skills.

If you want to run your own business, you had better make sure you have Implementers and Completer Finishers in your team, if you are a Plant and a Shaper or Resource Investigator. If you are a Completer Finisher, you should probably go into business with someone who is more dynamic and creative and less likely to see the risks.

Remember that your profile can change over time, and that you can actively develop areas where you may currently be weak.

Belbin® Team-Role Summary Descriptions

BELBIN

Team-Role Descriptions

Team Role	Contribution	Allowable Weakness
Plant 	Creative, imaginative, unorthodox. Solves difficult problems.	Ignores incidentals. Too pre-occupied to communicate effectively.
Resource Investigator 	Extrovert, enthusiastic, communicative. Explores opportunities. Develops contacts.	Over-optimistic. Loses interest once initial enthusiasm has passed.
Co-ordinator 	Mature, confident, a good chairperson. Clarifies goals, promotes decision-making, delegates well.	Can be seen as manipulative. Offloads personal work.
Shaper 	Challenging, dynamic, thrives on pressure. The drive and courage to overcome obstacles.	Prone to provocation. Offends people's feelings.
Monitor Evaluator 	Sober, strategic and discerning. Sees all options. Judges accurately.	Lacks drive and ability to inspire others.
Teamworker 	Co-operative, mild, perceptive and diplomatic. Listens, builds, averts friction.	Indecisive in crunch situations.
Implementer 	Disciplined, reliable, conservative and efficient. Turns ideas into practical actions.	Somewhat inflexible. Slow to respond to new possibilities.
Completer Finisher 	Painstaking, conscientious, anxious. Searches out errors and omissions. Delivers on time.	Inclined to worry unduly. Reluctant to delegate.
Specialist 	Single-minded, self-starting, dedicated. Provides knowledge and skills in rare supply.	Contributes on only a narrow front. Dwells on technicalities.

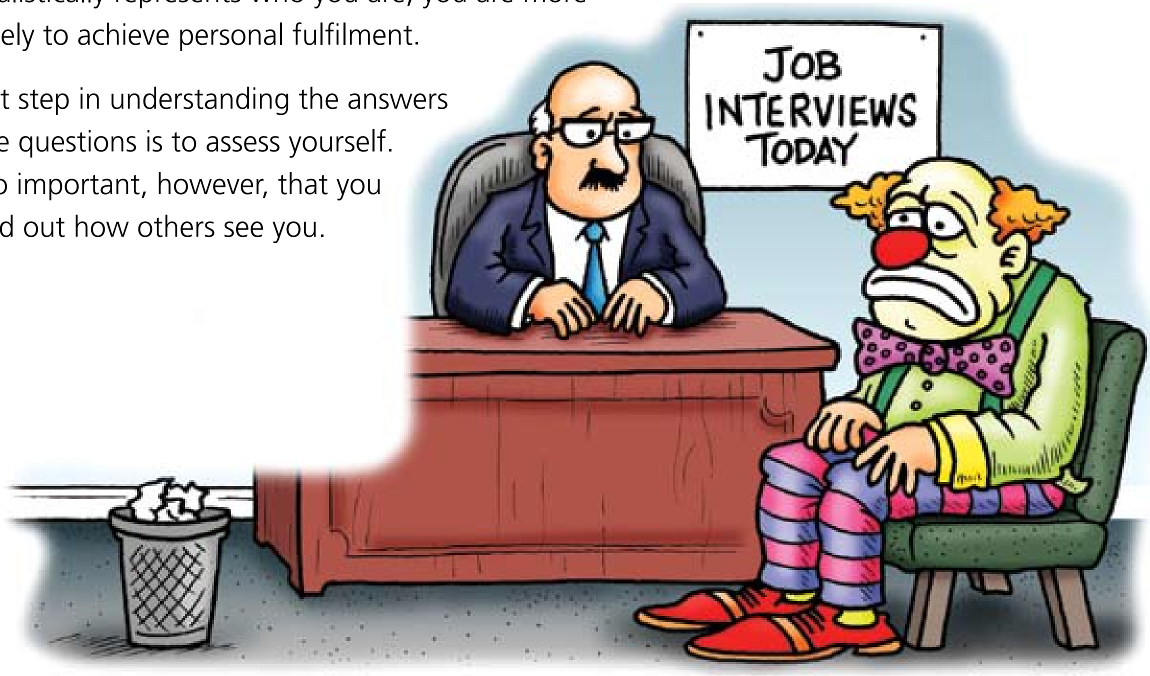
DO YOU WANT TO BE AN ENTREPRENEUR?

Factsheet 3b

Education is all about **what you know**. What you know is important – if you know nothing, or cannot prove you know anything, there are going to be very few opportunities open to you in life. However, to make a success of life, you also have to have a realistic understanding of **who you are** – what sort of person are you, what environment would suit you, what you might enjoy doing. Employers will be looking to know that too, and will also want to know **what you can contribute**. This means, you need to:

- Understand your own identity. This will make it more likely you will make the right choices in life.
- Manage your strengths and weaknesses. Everyone has strengths, and everyone has weaknesses. If you undervalue your strengths, you cannot take best advantage of them. If you don't know your weaknesses, they will catch you out. If you know both your strengths and weaknesses, you will never mislead anyone, including yourself, on what you can and cannot do, and are therefore never likely to let anyone, including yourself, down.
- Learn to develop your team working abilities. This will make it easier to make a contribution, and easier to achieve results.
- Project yourself in the best way possible. You can only do this if you can be honest about yourself. If you can present a clear picture of yourself to the outside world, that is a picture you are happy about and one that realistically represents who you are, you are more likely to achieve personal fulfilment.

The first step in understanding the answers to these questions is to assess yourself. It is also important, however, that you also find out how others see you.



DO YOU WANT TO BE AN ENTREPRENEUR?

Questionnaire 1

What do you see as your strengths and weaknesses? And what about other people's views of you? Carry out the following self-assessments; and then ask friends or others in class whether they agree with your own estimate. There's room to note any differences in opinion – and for your own comments!

Use the following scoring system:

3 – I feel I have a great deal of this quality
2 – I have some of it
1 – I only have a little
0 – Oops - none at all!

Name: ______________________________

QUALITY	MY VIEW	OTHER VIEW	HOW DIFFERENT?	COMMENTS
Being a good team member				
Being able to act independently				
Being creative				
Being practical				
Exploring opportunities				
Being reliable				
Being self-confident				
Paying attention to detail				
Making decisions				
Taking everything into account				
Setting goals				
Not giving up				
Planning and organising things				

QUALITY	MY VIEW	OTHER VIEW	HOW DIFFERENT?	COMMENTS
Making sure everyone gets on together				
Taking the lead				
Being a good listener				
Using my initiative				

Don't let the 'other' person you talk to see what you have written. Ask them to be as honest as possible (although not to the point of being rude!). When both of the scores have been completed, compare the results.

Are there differences between the scores? If so, why do you think this is?

Do you think that your scores may change in future – and is it important to you that they do?

DO YOU WANT TO BE AN ENTREPRENEUR?

Questionnaire 2

Read through the list below and decide how well each characteristic fits you. Be honest! If you are unsure about anything, simply ask yourself how others might see you.

Use the following scoring system:

3 – This describes me exactly
2 – This sounds a bit like me
1 – This does not sound much like me
0 – This is definitely not me

Whenever I am working with a team on a piece of work:	**Score**
I prefer to make the decisions.	
I can easily persuade the others to accept my decisions.	
I don't lose heart if we are not successful very quickly.	
I tend to take over the management of the operation.	
I am not worried about taking a few calculated risks to get things done.	
I am an inquisitive type and I am always looking for new ways of doing things.	
I can easily judge when something is going wrong and needs to be changed.	
I am very persistent and will keep going until I succeed.	
I tend to jump in quickly and get problems sorted out.	
Total score for team role:	

DO YOU WANT TO BE AN ENTREPRENEUR?

My personal qualities	Score
There is someone in my family who is involved in running a business.	
I am ambitious.	
I am a determined sort of person.	
I can easily control my emotions.	
I am a good communicator.	
I am good at spotting opportunities.	
If I were offered a good job with prospects on leaving school, I would take it rather than going to University.	
Total score for personal qualities	
Overall score	

Finally – to check your assessment – and if you are feeling very brave – go over your assessment with a friend. Does your assessment match theirs?

DO YOU WANT TO BE AN ENTREPRENEUR?

Facilitator Notes 4

This session should last 30 minutes.

Explain to the students that you want them to think about their **Hopes and Dreams** for the future. Ask them to imagine how they would like their lives to be in 10 years' time:

- Where will they be?
- What will they be doing?
- Who will they be with?
- What material possessions will they have?

Hand out **Activity Sheet 3**. Ask the students to draw their ideas or make a collage from the magazines provided, on a piece of flipchart paper.

After 20 minutes, ask them to feed back briefly what they have created and what it means in terms of what is important to them (Money? Success? People? Security?)

At the end of the session, remind students that they need to think about an idea to work on for the **Putting yourself across** workshop.

Those that already have a business idea should work on this. Those that don't can either come up with a business idea, or choose an issue or event for which they would like to engage support. The important thing is to talk about something they feel passionate about, and to persuade others that it's a great idea.

Activity sheet 3

Hopes and Dreams

Imagine yourself in 10 years' time. What would you like your life to be like?
Think about things like:

- Where will I be?
- What will I be doing?
- Who will I be with?
- What kind of house/car/possessions will I have?

Now draw pictures to represent your hopes and dreams for the future.

You will be asked to explain to the group what your pictures mean and what they say about what is important to you.

It's Down to You

CONTENTS

IT'S DOWN TO YOU

Aims and Objectives

This workshop is about business planning, and the importance of using and understanding data when you are setting up a business or making business decisions. You will be working through a number of case studies and discussing the decisions that have to be made at different stages in the life of a business, and the data that you need to help you make these decisions.

By the end of the day you should be able to:

- Understand the reasons why you need a business plan, and the different elements that it needs to cover
- Understand how to 'read' business data and how to complete Profit and Loss Accounts and Cash Flow Forecasts
- Weigh up the options for making business decisions, based on the data presented

IT'S DOWN TO YOU

Icebreaker

This session should last 15 minutes.

The objectives of this icebreaker are:
- To encourage the students to believe numbers are not automatically difficult.
- To encourage them to listen carefully.

Nearly Right

1. Divide the students into groups of four.
2. Hand out the numbers below, on pieces of card, one set per team.
3. Tell the students that you are going to read out a page of text with numbers in it. When they hear a number that is **one more** or **one less** than one they have on a card, they should discard that card into the middle.
4. At the end, they should have one number left. Check all the teams have the right one.

Number cards:

1
432
199
51
6
17
19
16
11
76
357
7
45
93
57
394
366
203

Nearly Right

Emma and her **2** brothers, Mark and Tom, were playing a game on the computer. Mark was better than the others and had scored **433** before Tom had reached **200**. Emma was doing better than she usually did, but was still **50** points behind Tom. In this game, points were scored for shooting monsters with **5** eyes and **18** legs. Each hit was worth **20** points, and another **15** could be added for each golden helmet collected from the monster emperors. Mark had collected **12** golden helmets, and Emma was beginning to think she might as well give up and go and phone her friend, when he fell in a swamp and lost **75** points. This meant he went down to **358** points, and when Tom had a run of luck and managed to collect **8** helmets it began to look as if Mark might actually lose. Emma was pleased for Tom, because Mark had won this game **44** times in a row, and she thought it would be better if Tom won. Then she fell in the swamp and lost **92** points, taking her down to **58**. By this time, Tom had **395**, and Mark was back up to **367**, so she couldn't be bothered to carry on playing.

IT'S DOWN TO YOU

Facilitator Notes 1

BUSINESS PLANNING

This session should last 30 minutes and is supported by **Factsheet 1**, covering the basics of business planning up to the promotional plan.

1. Cover the material in the first part of the **Factsheet**, then hand out copies of **The Business Plan** template.

2. Cover the material in the rest of the **Factsheet**, inviting the students to think of their own examples of what different companies they know might put in each section of the plan.

3. Hand out **Activity Sheet 1**. Invite feedback, and draw out the learning points:
   a. It is not always necessary to be clever in describing the customer and competitors.
   b. If you have found a gap, it is all right to be a 'copycat' business.
   c. It is important to know if you are mass market or up market or a price leader.

4. Hand out **Factsheet 1**.

IT'S DOWN TO YOU

Factsheet 1

BUSINESS PLANNING

It is essential to have a business plan if you want to set up a business (or a club, or an event).

- If you want to do something – go on holiday, meet friends, buy a bike, see a film – you will plan how to do it.
- Having a plan is **the only way you can get to where you want to go**.
- The only difference between planning what you are going to do next week and planning your business is:
  – Getting it wrong is more serious.
  – There is more chance people won't understand what you mean.
  – It covers a longer time.
- It is therefore essential that it **is written down**.
- Writing it down means:
  – You can communicate it properly, and tell the same story to everyone you want to involve.
  – It is easier to manage change – if you are wrong about something, and you need to update it, you can see exactly how that affects the plan.
  – It is much more satisfying – if it all works out, you know it is just what you planned.

The plan should tell the story of your business. Like any good story, it should tell the listener/reader the whole plot, and not leave any loose ends or questions unanswered. It therefore needs to include:

- a description of the business idea.
- a background to the people involved – you, your partners, anyone who is helping you.
- a description of the market you are going to be competing in, who your competitors and customers are going to be, and how you are going to make your product/service available to them.
- a **promotional plan** – how you are going to package/advertise/brand/promote your product or service.
- a **financial plan**, with enough information to show you can make money, you can pay back any money you need to borrow to begin with, and you are not going to run out of money to pay the bills.
- an idea on how you might develop the business if it is successful.

The plan is about communicating. This means:

- It does not have to use words – if pictures, graphs, images, examples of other products or anything else communicates better, use these.
- It does not have to provide all the answers – if you do not know something, explain how you are going to find out. If the next step on your business is to carry out a pilot, or do some research, or carry out technical experiments, you still need to write the plan.
  - **Handout 1: The Business Plan**

Section 1 is about the **idea**.

It is important that you **know where you want to go**.

- You have to be clear what business you are in.
- You have to know what it is you are trying to achieve: something big, something small, something personal, something universal.
- There are plenty of words for this – Vision, Mission, Value Statement, Goals and Objectives.
- For your Business Plan, you need to be able to communicate without going over the top.

If you make your business definition very narrow, for example:

- Selling walking boots to people in Chipping Norton
- Cleaning windows of homes in Woodstock

it is much easier to develop a good plan, and be sure your business will work.

However, this will also restrict how much your business can grow, and it might not sound ambitious enough, so most companies will have a 'vision' (or a mission) that is much grander. For example:

- Helping hikers walk in comfort
- Exterior cleaning service

If these were their visions, the first business could expand into other walking clothing and accessories, and the second into washing stonework.

Be careful to:

- State clearly what you are planning.
- Do not go over the top about your ambitions.

Section 2 is about you. You need to explain why someone should trust you to run this business, and the important things to remember here are:

- Make sure you know what your own strengths are.
- Make sure you have selected partners with the right skills for the business.
- Make sure you have a team with all the qualities necessary to make a success, not just having the idea but delivering on it and then sustaining it.

Section 3 is about **the market**. Once you know what business you are in, you need to describe the market. Imagine you are on top of a hill, and you want to describe to someone a farm in the distance, and part of that description is what the landscape looks like – the trees, the roads, the hills and valleys. Your business is going to be just one small detail in the landscape of the market, but before you talk about that in detail, you have to describe how it fits, for example:

- What sells.
- Where it sells.
- What sort of companies are in it.
- Is it growing or shrinking?
- Is it consolidating or fragmenting?
- Is it all one type/price or a wide range?
- Is it stable or changing?

You do not have to put in everything, but you do need to fill in the detail that is particularly relevant to the business you want to launch.

It might feel as if you are repeating what is obvious, but don't forget the Plan is about **communication**, and even if your audience knows the market you are describing, they may not have thought about it as a whole.

The next section covers the **customers**, **competitors** and **distribution**.

You need to describe your customer. You need to know the type of people you are expecting to be attracted by your business idea, or else you can't communicate with them in the right way. The stronger your brand, the better chance of success you have, and the secret of a strong brand is that everyone has a clear image of the 'typical' customer, and will buy the product even if they are not one of those people. For example:

- BMW make the 'ultimate driving machine' for people who like to drive fast, are rich and successful.
- Coca Cola is drunk by young, fun-loving, happy people.

Knowing your customer makes it easier to say who your competitors really are. BMW would not see Skoda as a brand in competition with their cars; Coca Cola would not see ginger beer as a product they need to compete against.

Once you know your customer and competitors, it is easy to work out where and how to sell to your customers.

- How far would you expect them to travel to buy from you?
- Will they be happier locally or out of town?
- Will they expect to go to a large shop or a small one?
- Will they use the internet?
- Will they expect you to come to them?

The final part of this section is about the **promotional plan**. This is about how you communicate to your customer and persuade him or her to come and buy from you.

Remember, advertising is much more subtle than just telling people to buy – it is:

- creating awareness
- giving information
- reassuring the customer he/she is doing the right thing
- reminding him the product is out there

You have to decide which of these is most important for you to put across, or whether you do all of them in different ways.

For your advertising strategy, you must:

- create an identity for yourself, the logo, slogan, company colours etc.
- pick your communication channel (TV adverts, press adverts, internet, posters, radio, billboards, mailshots etc.).

To make these decisions, you need to remember:

- who your customer is
- how innovative your idea is
- how easy you think the market is to enter.

IT'S DOWN TO YOU

Activity sheet 1

BUSINESS PLANNING

You have decided to set up a dog grooming business in Summertown, in Oxford. The market background section of your business plan says:

- Dog grooming businesses provide a service to pet owners, keeping their pets clean and tidy.
- People who show their dogs need them perfectly groomed, but all owners would prefer their animals to be clean, and grooming also reduces the amount of hair the dogs leave on carpets and upholstery.
- All dog grooming services provide the same things: they wash, brush and clip. It is also quite usual for them to cut nails and implant ID chips.
- Prices are around £25 per dog on average, though some of the smaller businesses will charge less.
- All breeds need grooming, even short-haired breeds; they may not need clipping but will need brushing.
- Clipping can be to style a dog's coat, or just to get rid of long hair that trails in the mud.
- Apart from one mobile dog grooming service, the dog grooming businesses are local and will attract custom from advertising in the Yellow Pages and in the local magazines and by appearing on websites.
- There are 14 dog grooming businesses in Oxfordshire, mostly in the south of the county, providing the service in the home of the business owner, in residential areas.

What are you going to say about:

Your customer? ____

Your competitors? ____

____

Where you are going to locate your business? ______________________

How will you find out about your customers and what they want? ________

____

How will you set about promoting your business? ____________________

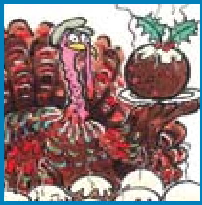
____

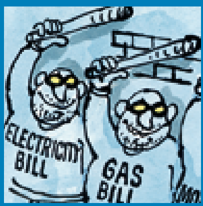
The Business Plan

NAME OF BUSINESS:

WRITTEN BY:

DATE:


CONTENTS:

Business Plan

A Business Plan is the story of your business idea, written down in a way that shows you have thought about it and lets you share it with other people.

You can use anything you like to tell the story – pictures, words, graphs, charts, images, logos, patterns etc. Think of it as a brochure advertising your business idea.

You do not need to know everything about your business to write the plan. Part of a Business Plan is having a plan to find out the things you don't know. Rather than making up answers, you should explain how you are going to find out what the answers are.

1 THE IDEA

This is the hook – if this doesn't sound interesting, it will be hard to persuade people to invest. This can also be called THE VISION.

Write your idea briefly here

____

____

____

____

____

____

____

Remember – there are two basic types of business:

- ***A product*** – you are selling something you have made/bought (chocolate bar, set of spanners, underwear)
- ***A service*** – you are giving your customers an opportunity to buy/do/not do something (buy underwear, go on holiday, stop cleaning their own cars)

Some businesses are a mixture of both, but you need to be clear which you think your idea fits into best.

2 COMPANY STRENGTHS

After the idea, the next thing anyone listening to you will want to know is, who are you? And why should they trust/listen to/be interested in you? The things to cover in this section are:

- A background of the people involved
- Any skills, interests, experience you have to make you the right people to deliver on the idea
- Your successes, your contacts
- How you are going to divide the work up between you, according to your skills?
- Do you have all the skills you need, or are you going to get extra qualifications or experience that will help, or recruit more people?

Write here

3 THE MARKET

If there isn't a market, or you don't understand it, you might as well not start.

A Market Background

In this section you need to show you understand something about the market you are going to enter.

Write here

Imagine you are describing the market for ***garden machinery*** to someone who has never had a garden and doesn't know the type of products, where to go and buy them, how much to pay for them, whether there is lots of choice or very little, whether there is lots of innovation or only traditional products etc.

Or you could be talking to someone who has never been to ***listen to a band play***, and you need to explain the sort of venues, the variety of acts, the sort of people who go, the typical price of tickets, whether there are any trends etc.

B The Competitors

You won't be competing against everyone already selling in your market, so pick out the ones who will be the closest competition, that is the ones most similar to you, and explain how you are going to be different to them.

Write here

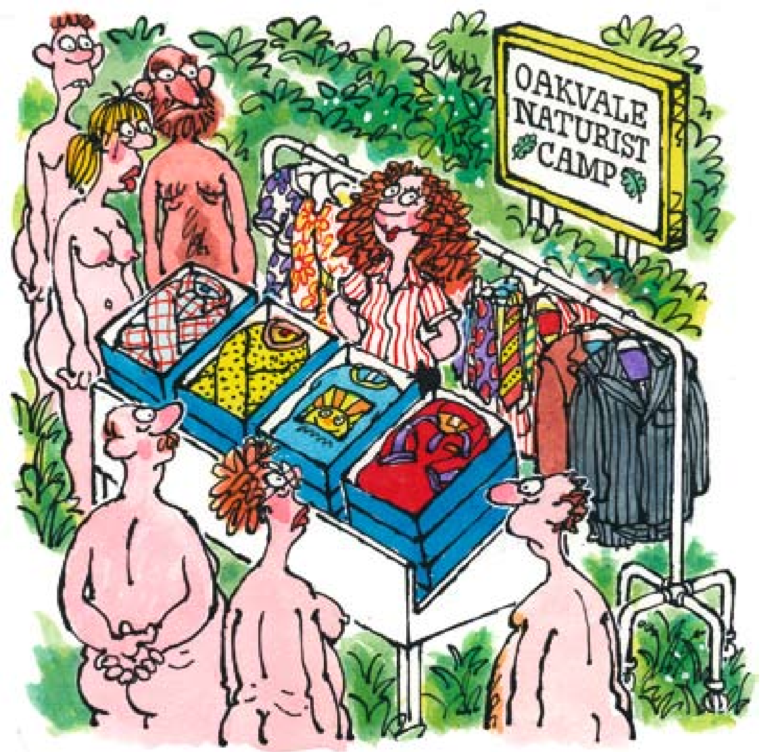
C The Customer

The customer is the person who will be paying you for your product or service.

You have to know what customers you are aiming at because otherwise:

- You can't ask them if they are likely to buy your product/service.
- You can't communicate with them, by using the right images and language.
- You can't decide where or how to sell your product/service to them.

You should also include in this section any evidence you have that these customers will be interested. Have you asked any of them (done any research)? Have you watched how they behave?



You can describe your typical customers as being ***young or old, male or female***. However, not all young women are the same, some old men may have more attitudes in common with some young men than with other old men.

Try to describe your typical customers in a way that makes it more likely ***you would recognise them if you met them*** – for example, might they have interests in common, might they live in similar sorts of houses, might they share a concern for the environment, or have an interest in innovation, etc.

It is often powerful to describe the one person you imagine as ***the typical customer***. You will always sell to people who don't fit this description, but it is much easier to pitch a product to someone you feel you know.

Remember: The customer pays the money, but sometimes the consumer, the person who actually wants the product or service, may not also be the customer – for example toys are bought for children, but by parents – so you need to know about the consumer as well.

Write here

D Distribution

This means, how is the customer going to end up buying what you have to sell?

For a product, you need to consider:

- If you will manufacture it yourself
- If you will assemble it yourself
- If you will sell it to a wholesaler (someone who supplies shops)
- If you will it to shops yourself
- If you will set up your own shop
- If you will sell it over the internet

Make sure you have a plan that is likely to work for your customer. Would they prefer to shop locally or online, from a small shop or a large shop?

For a service, you need to consider:

- Where are you going to provide this – in the customer's home, in your premises, in someone else's premises?
- How are the customers going to order/pay for your service?

Write here

If you sell to a wholesaler, he will need to make money and will not pay you the full retail price.

If you set up your own shop, you will have lots of costs for rent and staff.

If you sell over the internet, your costs will be low, you will get all the money, but is this the right way to find your customers?

4 THE PROMOTIONAL PLAN

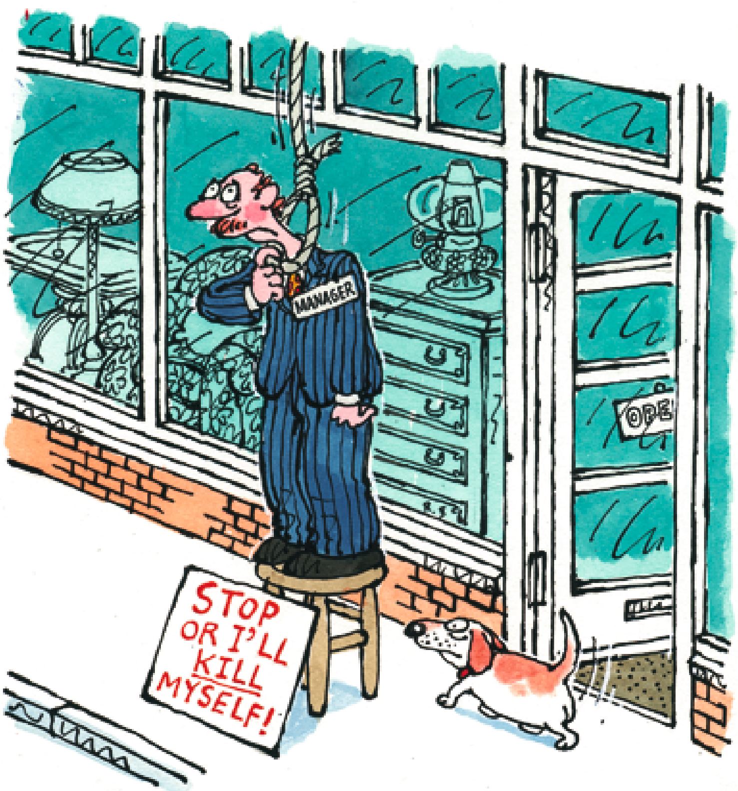
This is about communication with the customer. How are you going to do that? What advertising, what promotions? What will you do to build a strong brand?

Write here

If you want high impact, you probably have to pay more money, for a TV commercial, for example.

If you want local impact, think about posters or local papers, where ads are cheaper.

If you want to get to specific customers, think about the specialist press – magazines that cover the things they are interested in.



5 THE FINANCIAL PLAN

You have to be able to answer several questions about the financial side of your business:

1. How much do you expect to make, once you are operating your business; that is, what are you expecting to earn, and how much will it cost you to run?
2. How much money do you need to start it up?
3. Based on this, how soon will you be able to pay back the money you have put in at the beginning?
4. Will you have enough money month by month to keep paying the bills?

To answer the first question you need a **Profit and Loss Account**.

To answer the other questions you need a **Cash Flow Forecast**.

No one expects you to know exactly what these figures will be, but you do have to make an estimate, and be able to show it is reasonable.

Once you have done these estimates, you should fill in the forms below.

You can **forecast** what your profit (or loss) might be after a year by making assumptions. You need to 'guess':
- the number of sales you will make
- the cost of each sale (the material cost, if it is a product)
- what all your other costs will be.

You will have to make notes on why you think these are the right estimates, so you can check what went wrong, if your forecast is inaccurate, and to convince other people you know what you are talking about.

To prepare a **Cash Flow Forecast** you need to estimate your **start-up costs**, including the money you need to keep going until your sales start to grow. Start-up costs will include any equipment, materials, or advertising money you need before you can get going.

Profit and Loss Account

		Year	Notes
1	**Income:**		
	No. of Sales		The number of customers you expect to have in a year
2	Average Income per Sale £		The amount you expect them each to spend
3	**Income £**		**Line 1 × Line 2**

4	Less Cost of Sales (materials)		The cost of what you sell, or the cost of time (for a service)
5	**Gross Profit £**		**Line 3 minus Line 4**

	Expenses:		
6	Salaries		What you will pay yourself and others
7	Advertising		Include website, leaflets etc.
8	Rent, rates, insurance etc.		All your office costs
9	Other		Anything else needed to run your business
10	**Total Expenses**		**Total of Lines 6 – 9**

11	**Total Profit**		**Line 5 minus Line 10**

Cash Flow Forecast

	CASH IN	Period 1	Period 2	Period 3	Period 4	Total	Notes
1	Investment						The amount of money borrowed or invested at the start
2	Sales						Total is Line 3 from P&L form; you need to forecast how many sales will occur in each period
3	Total in						Line 1 plus Line 2
	CASH OUT						
4	Start-up costs						The costs of setting up the business, equipment, advertising etc.
5	Cost of sales						Total is Line 4 from P&L form; for each period it will be Line 2 above × Line 2 on P&L form
6	Other expenses						Total is Line 10 from P&L form, for the periods, divide by 4
7	Total out						Total of Lines 4 – 6
8	Total in/(out)						Line 3 minus Line 7
9	Cumulative in/(out)						Period 1 is as Line 8. Add (or subtract if it is negative) Line 8 total in each following period

Sample completed forms are attached, for reference

Teddy Bear Repair Shop

Zoë had this idea for a business. She made the following assumptions:

1. Investment needed is sewing machines (£500), refurbishment of garage to form workshop (£500), advertising/setting up website (£500), working capital to fund salaries & materials (£500)
2. 100 customers per month, with average cost of repair = £20
3. Average cost of materials for repair = £5 per bear
4. She would pay herself £800 per month
5. It would cost £100 a month each for advertising and heating, lights etc.

Profit & Loss	**Year**
Income:	
No. of Sales	1200
Average Income per Sale £	20.00
Income £	**24,000.00**

Less Cost of Sales (materials)	6,000.00
Gross Profit £	**18,000.00**

Expenses:	
Salaries	9,600.00
Advertising	1,200.00
Rent, rates, insurance etc.	1,200.00

Total Expenses	**12,000.00**

Total Profit	**6,000.00**

Cash Flow	**Month 1**	**Month 2**	**Month 3**	**Month 4**	**Total**
Cash In	£	£	£	£	£
Investment	**2000**	-	-	-	2000
Sales	-	2000	2000	2000	6000
Total In	**2000**	**2000**	**2000**	**2000**	**8000**

Cash Out					
Start up Costs	1500	-	-	-	1500
Cost of Sales	-	500	500	500	1500
Other Expenses	-	1000	1000	1000	3000
Total Out	**1500**	**1500**	**1500**	**1500**	**6000**

Balance in/(out)	**500**	**500**	**500**	**500**	**2000**
Cumulative in/(out)	**500**	**1000**	**1500**	**2000**	**2000**

This form shows the business:

- needs £2000 to get going.
- will pay back the initial investment in four months.
- has money left in the bank at end of each month.
- will earn an ongoing profit of £500 per month.

6 THE FUTURE

Finally, you could suggest some ways in which your business will grow, once it is successful. Will you expand into other countries? Will you introduce new products/services? Will you sell franchises to other people to carry out the same business? Will you sell the whole business?

Write here

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IT'S DOWN TO YOU

Facilitator Notes 2

THE IMPORTANCE OF DATA

This session lasts 1 hour.

Session 1 – **15 minutes**

Explain that anyone can use numbers – using numbers **does not mean you have to be good at maths**.

All of us 'read' numbers every day of our lives, just as we read words; we don't think we need to be good at writing to use words to pick up information and communicate; we don't need to be good at calculations to use numbers to pick up information and communicate.

Numbers can tell a story in the same way as words.

Draw this chart on a whiteboard/flipchart and invite suggestions as to what the numbers mean.

<table>
<tr><td>4</td><td>1</td></tr>
<tr><td>2</td><td>3</td></tr>
<tr><td>64</td><td>3</td></tr>
<tr><td>19</td><td>21</td></tr>
<tr><td colspan="2">112</td></tr>
<tr><td colspan="2">6</td></tr>
</table>

Then ask whether, if they knew they were all scores, students could tell what games are being played. (Football, football, rugby, rugby, cricket, cricket)

If you knew what games were being played, could you tell anything else, for example whether the home team won, or the visitors, whether it was a close match or a walk over, whether the winning team batted first or fielded first?

Answers are:

Chelsea 4	Liverpool 1
Arsenal 2	Manchester United 3
Wasps 64	Plymouth Argyle 3
France 19	England 21
Hampshire beat Kent by 112 runs	
Gloucestershire beat Yorkshire by 6 wickets	

Now write up the following numbers and ask what they represent:

a. 0790523698

b. 0870789234

c. 0800444929

d. 0845736245

e. 0900357236

f. 118118

Ask students which is the most expensive? And which is the cheapest?

Answers are:

a. Mobile phone
b. Special services (e.g. catalogue sales) number, higher rate
c. Freephone number (cheapest)
d. Special services number, lower rate
e. Premium rate number (most expensive)
f. Directory enquiries

Session 2 – **45 minutes**

- Cover the material on **Factsheet 2**.
- Hand out **Case Study 1**.
- In pairs, ask the students to fill in the forms for Jane's Flower Stall. Encourage them to do as much as they can, and ask for feedback on the main problem areas.
- Check against the completed cash flow provided, and then hand out copies of the completed form, explaining how the numbers were arrived at.

Factsheet 2

THE IMPORTANCE OF DATA

This section covers what finance information it is essential to have for a business plan for a new business.

- There are two things you must know, before risking your own money and time, or someone else's money and time, in a new business venture.
- You need to know whether the idea is likely to generate a profit, and whether you will have enough money coming in to run the business without going bankrupt.
- The first is called a **Profit and Loss Account**. This has to be calculated at the end of a period, that is, you have to assume you have been trading for a certain time and then look at the balance of income versus expenditure at the end of that period. This is usually a year.
- A Profit and Loss Account is perfectly simple: you take the amount of money coming in, from whatever you are selling, and take away from that all the things you had to spend money on. The important thing to remember here is that it is not only the cost of what you are selling that you have to take away – it is everything else as well, the cost of salaries (including yours), heating, lighting, insurance, advertising, rent etc.
- You can forecast what your profit (or loss) might be after a year by making various assumptions. You need to 'guess':
  - the number of sales you will make
  - the cost of each sale (the material cost, if it is a product)
  - what all your other costs will be.
- You will have to make notes on why you think these are the right estimates, so you can check what went wrong, if your forecast is inaccurate, and to convince other people you know what you are talking about.
- The second question, will you have enough money, requires a **Cash Flow Forecast**. For a new business this will need to include your start-up costs, that is, what money you need to get going. Any investor will be looking to see how soon you can pay this back.
- Also, although you might think it is obvious that if you are making a profit, you will always have enough money, this is definitely not true. If the bills come in before the money does, you will go bust if you cannot pay them, so you need to make sure your start-up funds allow you to trade for long enough to realise your profit.

- Filling in a Profit and Loss form and a Cash Flow form is a mathematical task, like any other. You need to put the numbers in the boxes and calculate the answers, or work out how to set up a formula in Excel to calculate the answers for you. It is not necessary to be good at maths to do this – you just have to be diligent to make sure you have written down the right numbers.
- The important thing about these forms is to understand what they mean, when you have filled them in. This is using numbers as if they were words, telling you information you need to make a decision.

IT'S DOWN TO YOU

Case Study 1

JANE'S FLOWER STALL

Jane decided to set up a flower stall in the market, selling bunches of fresh flowers. She knew she needed to borrow some money to set it up, so she made some forecasts to be able to fill in a Profit and Loss Account:

1. She would sell an average of 20 bunches of flowers a day, 6 days a week, with five stems per bunch at a price of £1.50 per stem.
2. It would cost her £0.50 per stem to buy the flowers (allowing for wasting some).
3. She would need a van to go to the wholesale market, at £150 per week, hire and petrol.
4. She would employ someone to help, working half time only, at the full time rate of £12,000 a year.
5. Her stall would cost her £100 per week.
6. She would need to spend £200 in advertising.

Using these figures, complete the form below for Jane:

Profit and Loss Account	Year 1	Comment
Income:		
No. of sales		20 bunches a day
Average income per sale £		
Income £		
Less cost of sales (materials)		Average per bunch
Total material costs		
Gross profit £		
Expenses:		
Salaries		Part time assistant
Advertising		
Rent, rates, insurance etc.		Hire of market stall
Van costs		Hire of van + petrol
Total expenses		
Total Profit		

Is this a good business proposition?

Jane's Flower Stall – Cash Flow

Jane thought she would ask the bank for £3,000, and would spend £2,000 on buying the stall and doing it up. She knows that her sales will be seasonal, so she has worked out the percentage of sales she will make in each month. Using the figures from the Profit and Loss sheet, work out whether she has borrowed enough to be able to pay the monthly bills.

CASH IN £	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**April**	**May**	**Total**
No. of Sales													
% Total sales each month	3	7	4	4	3	3	11	10	13	18	13	11	
Income from Sales													
Investment	3,000	–	–	–	–	–	–	–	–	–	–	–	3,000
Total In													
CASH OUT £													
Start-up costs	2,000	–	–	–	–	–	–	–	–	–	–	–	2,000
Cost of sales													
Other expenses													
Total Out													
Difference between money in and out													
Cumulative Difference													

IT'S DOWN TO YOU

Case Study Completed 1

PROFIT AND LOSS ACCOUNT

	Year 1	Comment
Income:		
No. of Sales	6240	Bunches of flowers, 5 stems per bunch
Average Income per Sale £	7.50	At average of £1.50 per stem
Income £	**46,800.00**	
Less Cost of Sales (materials)	15,600.00	At average of £0.50 per stem
Gross Profit £	**31,200.00**	
Expenses:		
Salaries	6,000.00	Part time assistant
Advertising	200.00	
Rent, rates, insurance etc.	5,200.00	Hire of market stall
Van costs	7,800.00	Hire of van + petrol
Total Expenses	**19,200.00**	
Total Profit	**12,000.00**	

Cash Flow

CASH IN £	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	Total
Investment	3,000	-–	–	–	–	–	–	–	–		–	–	3,000
Sales	1,404	3,276	1,872	1,872	1,404	1,404	5,148	4,680	6,084	8,424	6,084	5,148	46,800
Total In	**4,404**	**3,276**	**1,872**	**1,872**	**1,401**	**1,404**	**5,148**	**4,680**	**6,084**	**8,424**	**6,084**	**5,148**	**49,800**
Memo:%Total Sales	3	7	4	4	3	3	11	10	13	18	13	11	
CASH OUT £													
Start-up Costs	2,000												2,000
Cost of Sales	468	1092	624	624	468	4,68	1,716	1,560	2,028	2,808	2,028	1,716	15,600
Other Expenses	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200
Total Out	**4,068**	**2,692**	**2,224**	**2,224**	**2,068**	**2,068**	**3,316**	**3,160**	**3,628**	**4,408**	**3,628**	**3,316**	**36,800**
Total in/(out)	**336**	**584**	**–352**	**–352**	**–667**	**–664**	**1,832**	**1,520**	**2,456**	**4,016**	**2,456**	**1,832**	**12,997**
Cumulative in/(out)	336	920	568	216	–451	-1,115	717	2,237	4,693	8,709	11,165	12,997	

IT'S DOWN TO YOU

Facilitator Notes 3

The Importance of Data in a Start-up Situation

This session lasts 45 minutes.

1. Remind the students of what is important when thinking about starting a business:
   a. Getting the right business model
   b. Taking the right risks
   c. Making sure all the costs are covered
   d. Doing a cash flow forecast
2. Divide the students into pairs, and hand out **Case Study 2**.
3. Allow time for feedback and debate on whether the answers Ben and Lisa came to were right, for example:
   a. Should they have thought about selling over the internet?
   b. Should they have carried on direct selling at festivals to build up capital?
   c. Should they have added other Happy Hangits to make the range more attractive?

NB. Case Studies 3 and 4 build on the story of Ben and Lisa and their Happy Hangits business, assuming that they made certain decisions. They could, however, have made other choices, and some alternative endings to their story are provided – one for the Start-up Story and two for the Expansion Story. If time allows, these can be handed out at the end of this and the following session, and they will help you to discuss with the students what might have happened had Ben and Lisa made different decisions.

The Importance of Data in an Expansion Situation

This session lasts 30 minutes.

- Remind the students that decisions have to keep on being taken, even when a business is doing well.
  – A business that is not growing or developing is at risk.
  – A business that grows too quickly is at risk.
  – A major risk is taking on more business that is not in line with the core brand or values of the company.
- Hand out **Case Study 3**.

- In pairs, ask the students to develop a proposal for what Ben and Lisa should do next, to feed back to the group.

The Importance of Data at a Time of Change

This session lasts 30 minutes.

- Hand out **Case Study 4**.
- In pairs, ask the students to develop a proposal for what Ben and Lisa should do next, to feed back to the group.

IT'S DOWN TO YOU

Case Study 2

HAPPY HANGITS – START-UP STORY

While he is studying for his Foundation Arts Degree, Ben designs a toy. It looks like a lemur, with big eyes and a long tail, and he works out a way to put clips on the hands and feet so it can pin to a collar or hold on to a bag strap. There is something about the expression on its face that is very appealing and his girlfriend, Lisa, makes one up for him. He wears it round college and people keeping asking where he bought it, so Lisa makes a few more and they sell them all, so she buys more materials and they manufacture fifty of the toys.

They take them with them when they go to Glastonbury, and by just walking around with the toys pinned onto them, they manage to sell all they have brought with them. It cost Lisa £0.50 to make them (excluding the cost of her time), and they sell them for £2.00. After they have sold out, they come across someone selling the one he bought from them to someone else for £5.00. They decide they ought to carry on and set up a business around the toys.

They find a local company which makes things out of cloth, such as bags, cushion covers, hot water bottle covers etc. They have the skills and equipment to make the Happy Hangits, but they need an order for 2,000 to make it worth their while to set up a production run.

Ben and Lisa would have to find the outlets and do all their own marketing and selling. The alternative is to use a toy manufacturing company, with its own sales force selling to the toy retailers. They go to a Trade Fair and talk to a few companies, but it is obvious they would take over the business, and just pay Ben a token fee because he has copyright over the design. The best offer would seem to be £5,000 for the design and a royalty of £0.01 for every toy sold.

Case Study 2 *continued*

Ben and Lisa now need to work out whether to make the investment in time and money to go to the local company, or whether to cash in the value of the design as it stands. Here are their calculations:

Cost of Hangits:	First 2,000 = £1.00
	2,001 + = £0.75
Estimated retail price:	£3.00 – £4.00
Estimated wholesale price:	£1.50 – £2.00

(These figures were based on discussions at the trade fair.)

Marketing costs – Set-up:	£1,000 (to design logo, packaging etc.)
– On-going:	£100 per month (magazine advertising)
Time involved for Ben & Lisa:	£50 – £100 each per week (at £50 per day)
Admin & professional costs:	£20 per month
Sales:	200 per week (maximum)
	50 per week (minimum)

(The maximum figure assumes a major retailer gives them a contract, the minimum assumes they only manage to find a few local outlets.)

Based on these figures, Ben and Lisa put together the two cash flow forecasts on the next page.

1. Would you go ahead with this business, or would you take the toy company's money?
2. Would you challenge any of the assumptions they have made, or propose another route?
3. Have they overlooked anything?
4. What would you expect a bank or other lender to make of this forecast?
5. What could you do to make the minimum forecast more attractive?
6. Is there any scope to improve the maximum forecast, or make it less risky?
7. What further research would you want to do to decide on a most likely forecast?
8. What opportunities are there for the business going forward?

Case Study 2 *continued*

Happy Hangits – Minimum Forecast

Month	1	2	3	4	5	6	7	8	9	10	12	Year 1
No. of sales	100	100	200	200	200	200	200	200	200	200	200	2,000
Total income (at £2.00 each)	200	200	400	400	400	400	400	400	400	400	400	4,000
Costs												
First 2,000 toys at £1.00 each	2,000											2,000
Marketing set-up	1,000											1,000
Salary, two days per week each	200	200	200	200	200	200	200	200	200	200	200	2,200
Admin/Advertising	120	120	120	120	120	120	120	120	120	120	120	1,320
Total cash out	3,320	320	320	320	320	320	320	320	320	320	320	6,520
Total in/out	–3,120	–120	80	80	80	80	80	80	80	80	80	–2,520

Happy Hangits – Maximum Forecast

Month	1	2	3	4	5	6	7	8	9	10	12	Year 1
No. of sales	200	200	800	800	800	800	800	800	800	800	800	7,600
Total income (at £1.50 each)	300	300	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,1400
Costs												
Toys at £1 x 2000, 0.75 x 5600	2,000				600	600	600	600	600	600	600	6,200
Marketing set-up	1,000											1,000
Salary, two days per week each	400	400	400	400	400	400	400	400	400	400	400	4,400
Admin/Advertising	120	120	120	120	120	120	120	120	120	120	120	1,320
Total cash out	3,520	520	520	520	1,120	1,120	1,120	1,120	1,120	1,120	1,120	12,920
Total in/out	–3,220	–220	680	680	80	80	80	80	80	80	80	–1,520

Case Study 3

HAPPY HANGITS – EXPANSION STORY

Ben and Lisa went ahead with the business. They borrowed £5,000 to start it up, and have now been trading for two years. Their results look like this:

Year	1	2
No. of sales	5,200	7,000
Total income £	9,100	14,000
Costs £		
Cost of toys	4,400	5,250
Marketing set-up	500	500
Salary	1,000	4,000
Admin/Advertising	1,000	1,500
Total cash out £	6,900	10,750
Total in/out £	2,200	3,250

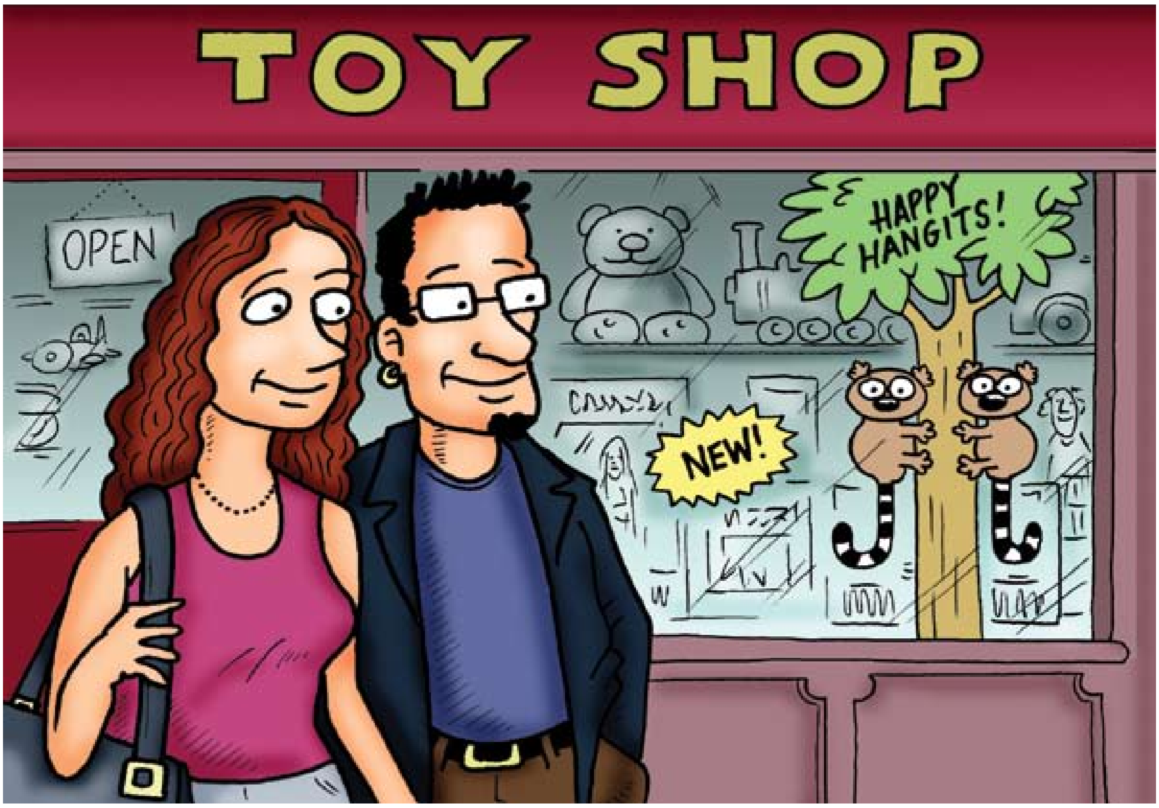
This is what has happened in the **first year**:

- They sold more than their minimum but less than their maximum.
- The average price they received for the toys was £1.75.
- They spent more than one day a week each on the business, because they found the best way to get sales up was to visit lots of different outlets, not just toy shops but newsagents, corner shops etc. However they did not pay themselves for all their time.
- They spent less money than they would have liked on the marketing materials.
- They did not need to spend as much on advertising as they thought, because they were getting the sales without it.
- They repaid nearly half the loan.

In the **second year**:

- The outlets they set up in the first year were coming back for more and asking for different designs.
- They put some more money into the marketing materials.

Case Study 3 *continued*



- They started going to petrol stations, and the Hangits sold well.
- They were written up in various business and marketing magazines and a large chain of petrol stations contacted them and asked for a supply contract at 1,500 a month, but they wanted three different designs.
- The loan was fully repaid, but Ben and Lisa had now graduated and found it difficult to make ends meet, as the business was taking up so much of their time they could only fit in part-time jobs.
- Ben has some other designs, but the manufacturer wants £1.00 a piece for the first 2,000 of each of them.
- The toy manufacturer has been back in touch and is offering them £10,000 for the name and design copyright, and a royalty of £0.05 for each one sold.

In pairs, list all the options Ben and Lisa can consider.

Which option would you take and why?

What calculations would you carry out to support your proposal?

IT'S DOWN TO YOU

Case Study 3 Alternative Ending

HAPPY HANGITS

Ben and Lisa decided to go ahead and sell the design to Global Toys Inc. in exchange for £5000 and £0.01 for every toy sold. The company bought the rights to the Happy Hangit name as part of the deal.

The toys were successful.

	Toys sold	Ben & Lisa's income
Pre-launch	–	£5,000
Year 1	20,000	£200
Year 2	100,000	£1,000
Year 3	250,000	£2,500
Total Income		£8,700

By now, Ben and Lisa had left university and were looking for jobs. The amount they had made from their idea was not enough to pay off one of their student loans. If Global Toys had made £1.00 on every toy, they would have made £370,000.

In Year 2, Global Toys introduced more designs under the Happy Hangit brand. Ben and Lisa received no payment for these, because their only rights were to the copyright on the first design.

IT'S DOWN TO YOU

Case Study 4

HAPPY HANGITS – THE CHANGE STORY

Five years have passed since we last met Ben and Lisa. They have given up all other jobs and are running the company full time. Their results for the last five years have gone like this:

Year	**1**	**2**	**3**	**4**	**5**
No. of sales	5,200	7,000	15,000	25,000	45,000
Total income £	9,100	14,000	30,000	50,000	90,000
Costs £					
Cost of toys	4,400	5,250	12,250	18,750	29,250
Marketing set-up	500	500			
Salary	1,000	4,000	12,000	20,000	40,000
Admin/Advertising	1,000	1,500	2,000	5,000	12,000
Total cash out £	6,900	10,750	26,250	43,750	81,250
Total in/out £	2,200	3,250	3,750	6,250	8,750

They are now making a good living from the business.

- They have five designs being manufactured, at an average of only £0.65 each, by a bigger company than their original supplier.
- They have two major outlets – Chain A takes 1,000 a month, Chain B takes 2,000 a month.
- The additional 750 a month are being sold through lots of smaller outlets.
- The average price they receive is still £2.00. Chain A pays £2.25, the small outlets pay £3.00, but Chain B only pays £1.50.
- The toy manufacturer is now asking to buy the business for £350,000 and offering them shares in the business worth another £250,000.

Then things change for Ben and Lisa.

1. Chain A goes bust.
2. Lisa is pregnant.
3. Ben's Granny dies and leaves him £30,000.

Case Study 4 *continued*

The impact of Chain A going bust is:

- Their income is reduced by £27,000 a year (£2250 a month).
- They will save £7,800 a year (£650 a month), because they do not need to order so many toys.
- They have 2,000 toys in stock ready for Chain A, a cost of £1,300.
- They have £20,000 saved out of profits.

In pairs, discuss what you would do next.

What calculations would you carry out to help you reach your decision?

IT'S DOWN TO YOU

Case Study 4 Alternative Ending

HAPPY HANGITS

Ben and Lisa decided to go ahead and sell the design to Global Toys Inc. in exchange for £10,000 and £0.05 for every toy sold. The company paid a further £5,000 each for the two new designs, and agreed to pay £0.01 for each of these sold. They bought the rights to the Happy Hangit name as part of the deal.

The toys were successful.

	Toys sold		Ben & Lisa's income
Year 1	5,200		£3,200
Year 2	7,000		£7,250
Global Toys Takeover	Design 1	Design 2/3	£20,000 (sale of business)
Year 3	50,000	–	£2,500
Year 4	200,000	150,000	£11,500
Year 5	250,000	200,000	£14,500
Total Income			£58,950

Ben and Lisa both found good jobs in design industries, because the employers were impressed with the success they had made of Happy Hangits. With the money they received they were able to buy a house much earlier than their friends.

They still remember the days of selling Happy Hangits as the best of their lives, and are wondering whether they are brave enough to give up their comfortable lives and start another business on their own.

IT'S DOWN TO YOU

Case Study 4 Alternative Ending

HAPPY HANGITS

Ben and Lisa put together a Business Plan for dramatic expansion. They took out a loan for £60,000 with a major bank, and signed up to a distribution deal with a wholesale company who delivered toys to all major retailers. They negotiated for much higher quantities of toys from another manufacturer and got the cost down to £0.60. This is what happened.

Year	1	2	3	4	5	6
No. of sales	5,200	7,000	50,000	120,000	100,000	75,000
Total income £	9,100	14,000	87,500	210,000	175,000	131,000
Costs £						
Cost of toys	4,400	5,250	30,000	72,000	60,000	45,000
Marketing set-up	500	500	5,000	5,000	-	-
Salary	1,000	4,000	35,000	85,000	85,000	60,000
Admin/Advertising	1,000	1,500	10,000	25,000	30,000	30,000
Total cash out £	6,900	10,750	80,000	187,000	175,000	135,000
Total in/out £	2,200	3,250	7,500	23,000	-	- 4,000

Although this strategy was very successful for a couple of years, it meant taking on large salary bills, to pay people to promote the toys, and to keep up in a competitive market, the advertising bill became extremely large.

Unfortunately, as soon as Happy Hangits started to be successful in major stores, other toy companies copied the idea, with their own brands and designs, and it became impossible for Ben and Lisa to compete. The profits were all wiped out in paying the interest on the loan, and they had committed to the manufacturer to buy more than they could sell, so they also had debts to him.

This meant the business was forced to close in Year 6. Ben and Lisa had to declare themselves bankrupt, but they have learnt a lot in the process, and a major toy company wants to talk to them about what their next idea might be…

Putting Yourself Across

CONTENTS

Aims and Objectives

This workshop will give you the skills and confidence to make presentations, particularly of business ideas. It will give you the opportunity to develop and make an individual presentation of a business idea of your own.

By the end of the day you should be able to:

- Understand how messages are received, and the particular importance of body language
- Use various techniques to deal with nerves
- Prepare and deliver an elevator speech
- Structure a business presentation
- Make best use of Powerpoint and other visual aids

PUTTING YOURSELF ACROSS

Facilitator Notes 1

Session 1

Cover the material in the Factsheet, up to the end of 'Be prepared'.

Now explain to the students the idea of the **elevator speech**. Imagine that you find yourself in an elevator with the very person who can make or break your business idea. You have 20 seconds (the length of a typical elevator ride) to put your idea across in a way that will inspire their interest and make them want to find out more about it.

Give the students five minutes to write and practise an elevator speech about anything they like, as long as the purpose is to persuade the listener to want to find out more. Then give them each exactly 20 seconds to deliver the speech to the group, using the techniques already covered. Be strict about timing! Ask for feedback from the group: which of the speeches made the most impact and which most intrigued them?

Now cover the rest of the material on the Factsheet, from 'Putting together a presentation to sell a business idea'.

Session 2: Work on presentations

Students now have 90 minutes to work on their individual presentations. Hand out the Activity Sheet.

The presentations should be designed to last **four minutes** each.

Remind students that they can choose either:
- A real business idea they already have
- A new business idea
- An issue or event for which they would like to engage support.

Whatever they choose, it should be something they feel passionate about, and the purpose of the presentation is to persuade others that it's a great idea.

Students should be encouraged to use visual aids as appropriate.

Session 3: Presentations

Students each have four minutes to make their presentations to the invited audience, with a minute for questions and feedback.

Factsheet 1

FACTS ABOUT GOOD PRESENTATIONS

You may have a brilliant idea for a new product or service, for a commercial or a social enterprise. You may have the entrepreneurial skills and drive to make it work, and you may have put together the detailed facts and figures to support your business proposition, but unless you can get the ideas across to your target audience – whether it's a potential investor or a potential customer – you'll get nowhere.

How messages are received

How do you think people people take in what they are listening to? Research shows that the answer is:

- Content: 7%
- Voice: 38%
- Body language: 55%.

How can you get your **body language** right for making a presentation – whether it's a business presentation or a best man's speech?

Posture

- Stand up straight with your feet slightly apart.
- Lean slightly towards the audience – this shows that you are actively engaging with them.
- Don't put your hands on your hips, or in your pockets, or behind your back, or folded across your chest. Put them in the steeple position: hold them together in front of you as if you are applauding, then part them when you want to gesture to emphasise a point.

Eye contact

- Lack of eye contact can ruin a presentation. The audience needs to feel that you are talking to them, not to yourself, your notes, or your PowerPoint presentation.
- Don't look out of the window, or over the heads of your audience, or at one spot straight ahead

of you. Do look around the room, and do look at individuals. Make eye contact with as many individuals as possible. If you are talking to just one or two people, you still need to look at them!

- Do make eye contact at the end of a thought. A pause after an important point, while you look at the audience, will tend to make them nod in agreement.

How can you make your **voice** work for you?

- Warm your voice up before you start, so that it doesn't crack: hum, talk to yourself.
- Don't be monotonous: vary the pitch and volume of your voice. Use your voice to emphasise key words and points.
- Don't speak too fast. If you are desperate to get to the end of what you are saying, the audience will find it hard to follow, and you are more likely to make mistakes. If you do get mixed up, don't worry, just slow down.
- Don't be afraid to pause. Pauses allow the audience to take in what you've been saying – and they seem much shorter to the audience than they do to the speaker.
- Use humour where it's appropriate, and if it feels natural for you to do so. But don't make jokes for the sake of it: use them to illustrate a point; and don't make jokes that your audience wouldn't understand, or might be offended by.

Dealing with nerves

Everyone gets nervous when they have to stand up in front of an audience. A little nervousness is a good thing; it's the feeling of adrenaline coursing through your body, and it can help you to give a more animated performance. However, to your audience, you want to appear calm, so use these techniques:

- **Breathe**. Take a deep breath, hold it, then breathe out slowly. Do this several times.
- **Stretch**. Roll your head clockwise three times, then anti-clockwise. Stretch each arm in turn up as far as it will go. Open your mouth as wide as possible, then close it; repeat several times. This will help to relive tension in the jaw.
- **Disguise the symptoms**. Be careful not too fidget, not to pace up and down, and if you feel your hands are shaking, put them in the steeple position.

- **Have water handy**. If nerves make your mouth feel dry, take a sip of water; it's also useful if you need to pause and gather your thoughts.
- **If you haven't got water, bite your tongue!** It's another good way of dealing with a dry mouth.

Be prepared

You will feel much less nervous if you are well prepared.

- Make sure you've done your **research**, so that you are confident about what you are talking about.
- Consider your **audience**. Are they people you know, or strangers? Choose an appropriate level of formality/informality. You want to sound relaxed, but professional. If you are pitching a business idea, it helps if you find out as much as you can in advance about your audience: for example, if you know that your bank manager has a shared interest in a particular sport, this can help to break the ice.
- **Practise!** You can't tell what your presentation will sound like, or how long it will take, unless you practise **out loud!** Don't memorise it word for word, but practising will make you feel more confident.
- **Write out your introduction and conclusion**. These are the most important parts of any presentation, and the ones where you are likely to feel most nervous.
- **Check** your equipment, your notes and your visual aids.

Putting together a presentation to sell a business idea

When it's a business idea that you are trying to sell to a potential investor, **content** really does matter, however good your presentation techniques might be.

- Always remember the **purpose** of your presentation: you are trying to persuade the investor that your idea is a good one, good enough and sound enough for them to invest in.
- Tell a **story** with a beginning, a middle and an end. The ending should be that you are successful in persuading the investor to fund your idea, or at least take the discussions forward.
- Keep the **structure** clear and simple. Remember that the beginning and end are most important, as they are what people remember most clearly.
- Cover all the **key points**. When it comes to the real thing, your presentation will be backed up by a detailed **business plan** that you will leave with your potential investor. This will cover:

1. **The idea** – what is special about it
2. **Company strengths** – what skills and experience make you (and any others in your company) the right people to deliver the idea?
3. **The market** – background research on the market in which you will be operating; who your **competitors** are and how you will be different from them; who your **customers** are and what evidence you have that they will be interested in your product or service; what your **distribution** plans are, i.e. how you plan to get your product or service to your customer.
4. **The promotional plan** – how you will communicate with your customers
5. **The financial plan** – how much money you expect to make and when; headline figures from your **profit and loss account** and your **cash flow forecast**

- Don't feel you have to cover every aspect at the same **level of detail**: concentrate on what's really important to you. But if you have skated over something, remember that you may be asked questions about it later, so be prepared.
- Adding something **personal** can mean that the investor remembers you – for example, tell a personal story about what led you to develop this particular business idea.
- Have a strong **conclusion** – emphasise when the investor will get their money back!
- Anticipate the **questions** that you are likely to be asked, and make sure that you have prepared some good answers.

Visual aids for a business presentation

- **Don't write out a full script.** You need to sound as if you are talking with confidence about your idea, not reading from a piece of paper. And holding a piece of paper when you are nervous tends to lead to loud rustling sounds!
- **Do use index cards.** Cards will help you keep on track, with key words and sentences to ensure you don't forget anything important. Use large writing with plenty of white space around it so that the cards are easy to read. Use only one side of each card, and join them together or number them in case you drop them and have to put them back in order.

- **Prepare clear visual aids.** If you are going to show pictures, figures, or diagrams, make sure that they are large and clear enough for the audience to take them in – the actual size will depend on the size of the audience. Make sure that graphs and charts are clearly labelled, but you can also use graphics to jazz them up and make them more interesting.
- **Flipcharts** work well where you want participation from your audience, or if you want to illustrate your answer to a question. If you do use a flipchart, make sure that your writing is clear, the letters are large enough and thick enough to be tread from the back of the room, and your spelling is accurate! Don't fill the chart with too many words, and leave the bottom third clear, as it's difficult for the audience to read the rest.

Uses and abuses of PowerPoint

PowerPoint can be a powerful tool to help you get across the key points of your presentation and to focus the attention of your audience, or it can turn your presentation into a disaster. Here are some of the most common pitfalls to avoid:

- Don't use too many words on a slide. Just use key words, not full sentences. Too many words = type that is too small for the audience to read, and they will be straining to read the words instead of listening to you.
- Don't read your slides to the audience. There is nothing more boring then listening to someone who is looking at the screen, not at the audience, and reading out the exact words that the audience has already read.
- Don't use too complex a design. Don't use several different typefaces and don't use all uppercase text. Use bold for emphasis, not underlining. Go for clear, large type that is easy to read, and a background that doesn't overpower the content. And check your spelling!
- Make sure that charts and diagrams are clear, and labelling is large enough for the audience to read.
- Don't use too many whizzy special effects. The audience gets turned off by waiting for words to fly on to the screen, turn 360 degrees, and change colour.

But PowerPoint can be an excellent tool when it is used properly.

- Unlike with traditional slides, you don't have to give your presentation in the dark, so you can look at your audience.
- The key words on your slides mean that you won't lose your place in your presentation, and you won't need index cards. If you want a bit more detail to remind you of what to say, you can use the useful 'Notes' feature, which has space under each slide
- You can use images, graphics, clip art to make points without using words, and short sound or video clips where this will really enhance the content. We take in information through all our senses, so looking as well as listening can help the audience to remember.

Powerpoint presentation

Presentation Techniques

and pitfalls to avoid

How messages are received

- Content: 7%
- Voice: 38%
- Body language: 55%

Body language

- Posture
- Using your hands: the steeple position
- Eye contact

Voice

- Warm up
- Vary pitch and volume
- Slow down
- Don’t be afraid to pause

Dealing with nerves

- Breathe
- Stretch
- Don't fidget; put your hands in the steeple position
- Drink water

Be prepared

- Do your research
- Practise out loud
- Write out your introduction and conclusion
- Check your equipment and notes

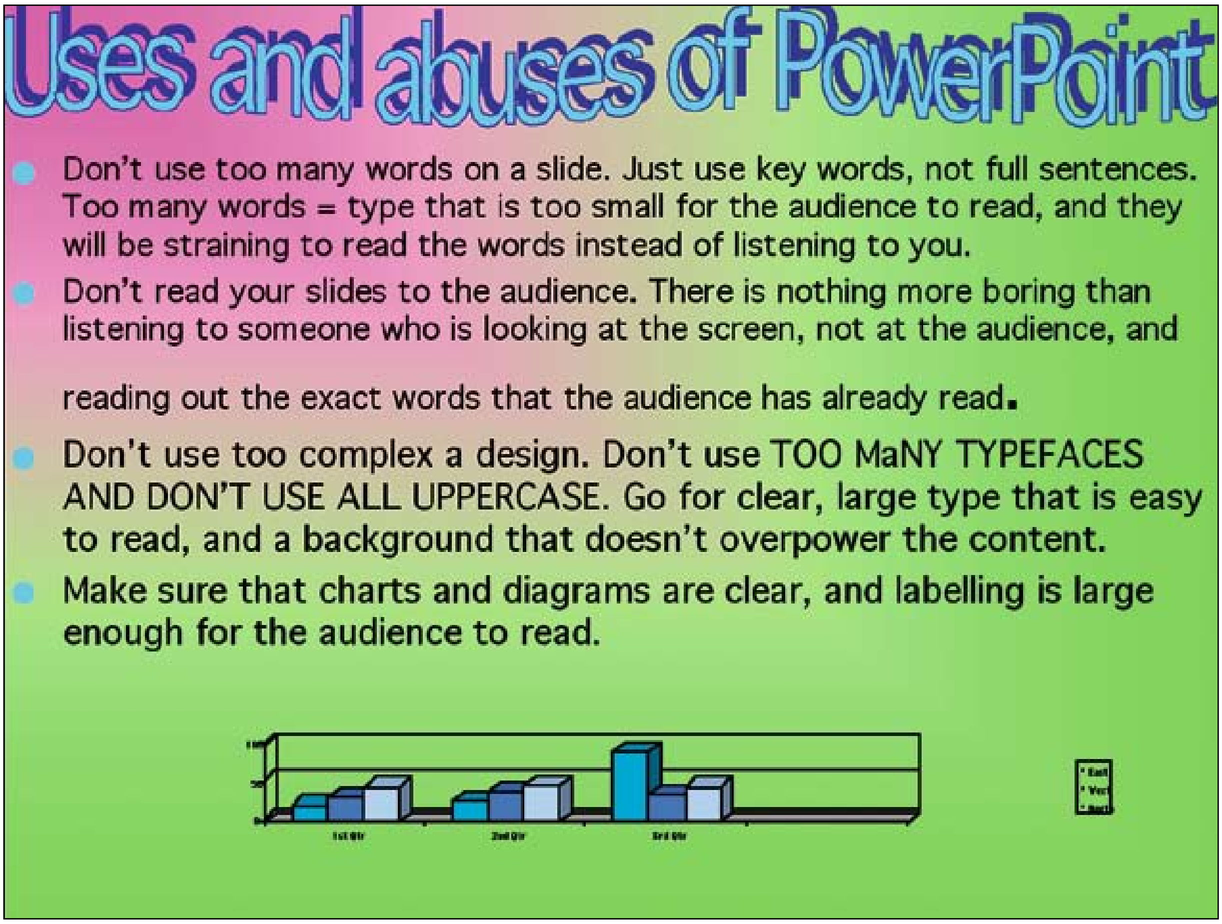
Presenting a business idea

- Remember the **purpose**
- Tell a **story**
- Keep the **structure** clear and simple
- Add something **personal**
- Have a strong **conclusion**
- Anticipate **questions** and prepare answers

Using prompts and visual aids

- Don't write out a full script
- Do use index cards
- Prepare large, clear visual aids
- Make sure figures, labels, etc. can be read easily
- On a flipchart, write clearly and spell accurately!

Powerpoint presentation *continued*



Special Effects

- Don't use TOO many whizzy special effects
- The audience gets bored waiting for …

  Words to change colour

  … Or do flips

  Or fly in!

Advantages of Powerpoint

- You can look at your audience
- You won't lose your place
- You can use the notes feature for extra prompts
- You can make points using images, graphics, clip art, video, etc.

PUTTING YOURSELF ACROSS

Activity Sheet 1

You have 90 minutes to work on your individual presentation, which you will deliver in the afternoon.

Your presentation should last a maximum of **four minutes**.

You can choose either:

- A business idea you already have
- A new idea you have thought of for a business
- An issue or event for which you would like to engage support

Whatever you choose, it should be something you feel passionate about, and the purpose of your presentation should be to persuade others that it's a great idea.

For the purposes of this exercise, don't worry too much about the detailed facts and figures, but do think about the **structure and purpose** of your talk.

Leave yourself time to put together some visual aids to help get your points across, and **practise** your speech to make sure you will keep within the time limit.

Good luck!