Welcome 4-H Leaders!

This guide provides you with project meeting plans (Skill Builders) that include a skills list, background information, activity suggestions, and ways to know if your members have learned the skills identified. In short, all the information and tools necessary to make this project a rewarding one for you and your members are included in this guide.

In this project, members will examine, by learning to do by doing, the importance of planning and preparing when starting a business. The Leader Guide is written with the expectation that the project leader(s) will have a working knowledge about the project topics and how they work. If not, you may need to do some pre-work / research on the activities, or recruit assistance, such as a mentor, for certain sections.

There are activities listed and instructions provided in the Leader Guide. You may substitute activities depending on member interest and availability of supplies. Be sure to try out activities, demonstrations, or hands-on work ahead of time to ensure you have an understanding of each Skill Builder - this also allows for any adjustments should an activity not work for you or if any equipment or supplies are unavailable.

The 3D’s of Learning - Each Skill Builder has three sections of learning called “Dream it!”, “Do it!” and “Dig it!” Below is a description of each.

Dream it! Plan for Success - this gives members a chance to help plan their activities. A skills checklist, background information, important words, and activating questions are included in the Member Manual so they will be able to think about the topic and activity and decide how they will approach it. The Leader Guide contains in depth background information on the topics, material lists, suggestions, time requirements for activities, and activating, acquiring, and applying questions to engage members’ thinking through each step of the learning process.

Do it! Hands on learning - this is where members are engaged in the activity planned / discussed in the Dream it! Section. Here members are doing the activities and leaders are observing, recording, and providing feedback on how well they are doing. Allow as much individual practice as required; you are assessing the progress and understanding of individual members.

Dig it! What did you learn? - this simply means that members and leaders need to ‘dig into their learning’. For the learning cycle to be completed, both need to reflect on how things went and how well they did. For members, this involves self-assessment, giving feedback, creating meaning from their experiences, and thinking about what they would do differently next time. Once this is done they will be in a good position to apply what they have learned to the next experience.

The sequence of project meetings and specific skills building outcomes for members in this project are on the chart on the following page.
What Skills Will The Member Learn?

Each section or Skill Builder (or Builder) in this project has activities that will help your project group learn to do by doing while learning new skills and having fun!

To complete this project, members must:
- Complete the activities in each Skill Builder OR a similar activity that focuses on the same skills, as you and your leader may plan other activities.
- Plan and complete the Showcase Challenge.
- Complete the Portfolio Page.
- Participate in your club’s Achievement (See the inside back cover for more information about 4-H Achievements).

<table>
<thead>
<tr>
<th>Skill Builder</th>
<th>Members will be able to…</th>
<th>Activities</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What is an Entrepreneur?</td>
<td>• What is an Entrepreneur?</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>• Define entrepreneur</td>
<td>• Who is an Entrepreneur?</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>• Identify entrepreneurs in the community</td>
<td>• Interview</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>• Suggest traits and skills possessed by successful entrepreneurs</td>
<td>• Picture This...</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>Business Opportunities</td>
<td>• Products or Services</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>• Distinguish between products and services</td>
<td>• Problem Solved</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>• Identify pros and cons of business ideas</td>
<td>• Business Ideas</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>• Address a local problem with a business solution</td>
<td>• Name It</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>Market Research</td>
<td>• Industry Research</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>• Prepare a survey</td>
<td>• Surveying</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>• Interpret data and market trends</td>
<td>• Analysis</td>
<td>19</td>
</tr>
<tr>
<td>4</td>
<td>Competition</td>
<td>• SWOT Analysis</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>• Complete a SWOT analysis</td>
<td>• My SWOT</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>• Differentiate a business from its competitors</td>
<td>• Sell It!</td>
<td>24</td>
</tr>
<tr>
<td>5</td>
<td>Operations</td>
<td>• Location, Location, Location</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>• Identify a business location</td>
<td>• Price Lists</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>• Prepare price lists</td>
<td>• Operating Costs</td>
<td>30</td>
</tr>
<tr>
<td>6</td>
<td>Sales &amp; Marketing</td>
<td>• Slogan Sort</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>• Describe products and/or services</td>
<td>• Logo</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>• Prepare advertising material</td>
<td>• Advertising</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>• Create and present promotions</td>
<td>• Promotions</td>
<td>36</td>
</tr>
<tr>
<td>7</td>
<td>The Finances</td>
<td>• Financial Support</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>• Calculate overall costs</td>
<td>• Break Even Analysis</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>• Identify sources of financial support</td>
<td>• Balancing Act</td>
<td>43</td>
</tr>
<tr>
<td>8</td>
<td>Selling Time</td>
<td>• Presentation Time</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>• Present a sales pitch</td>
<td>• Launch It</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>• Start a business</td>
<td>• Cash Flow</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>• Produce and explain a financial plan</td>
<td>• Business Plan</td>
<td>49</td>
</tr>
<tr>
<td>Showcase &amp; Portfolio</td>
<td>• Explain success in using the skills listed above</td>
<td>• Showcase Challenge</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• My Portfolio</td>
<td>55</td>
</tr>
</tbody>
</table>

When you successfully complete your builders, you will showcase what you have learned.
Showcase Challenge and My Portfolio Page

At the end of the members’ section are the “Showcase Challenge” and “My Portfolio Page”. The Showcase Challenge page gets members to think about their accomplishments and explain or demonstrate how they were successful. There is information to help them decide how they will best “showcase” their learning to family and friends.

Record keeping is an important part of every 4-H project. “My Portfolio Page” is used to keep track of members’ 4-H experiences. As each member learns skills they are recorded on the Portfolio Page. When the Portfolio Page has been completed and confirmed by the leader, then it becomes a record of the member’s completion of the project and participation in other 4-H activities beyond the project.

4-H leader assessment of members will occur throughout the project as you observe the progress and learning of each member. Record what you see and hear. Your feedback should be positive and specific (not just “well done”). Share feedback with members often so they can act on your suggestions. How you choose to observe and record is up to you. Remember that members may improve over the project year and that records should be updated to reflect when they showed their best learning. You are discussing how well members are meeting the skills checklists that are at the beginning of each of the project books, in each Builder and on the Portfolio Page.

Projects promote technical, communication, meeting management, and leadership skills, as well as community involvement and real-world experiences. In addition to the specific skills members are to learn in each builder, these learning goals for members are important:
- Following instructions
- Working with others
- Using supplies safely
- Using the key words
- Improving with practice
- Respecting timelines.

4-H Project Series Skill Development Levels

Each project topic series contains three levels of skill development: explore, discover, and master.

**Explore** - each project series has one manual outlining the basics. All members are encouraged to complete the Explore level before moving into the Discover level. It introduces the basic skills and terms needed by members for other projects in that series.

**Discover** - each project series has several project options and members are encouraged to take as many as they would like. At this level, members practice specific techniques and gain related skills.

**Master** - project options encourage members to specialize. The Leader’s role is to look for opportunities for their members to have more in depth experiences.
4-H LEADER TIPS FOR SUCCESS!

✧ Page 2 in each leader guide summarizes what the members must do to complete the project.

✧ Depending on time available, group size, and member abilities, you may wish to break the Skill Builders into more than one project meeting.

✧ The internet has lots of interesting websites and educational activities. We do not endorse any website or any products they may sell. Information/products will be used at your own discretion.

✧ Safety is a number one priority. Care has been taken to create safe, age appropriate activities throughout this manual. As leaders, it is important for you to emphasize safety rules and adapt activities to safely match your members’ abilities. Ensure members have a good understanding of safe practices when using tools, that they use the right safety equipment when necessary, and that good supervision is provided. A quality experience needs to be a safe experience.

✧ The multiple intelligences theory teaches us that people learn in at least 8 different ways. All individuals will be stronger in some ways of “intelligences” and weaker in others. It follows that the more ways we teach, the more members we will reach. Throughout this project, you will find a mix of teaching and learning methods. Teaching projects using a broad blend will help increase the learning potential of all members.

✧ Projects are designed to teach many skills, but the 4-H member is always more important than the subject matter. Stress cooperation in the activities to develop teamwork and cooperation skills. These are valuable life skills. Ensure the work is completed in a manner that members feel good about themselves and their efforts. This can be done by assigning tasks based on members’ individual abilities. Modelling and expecting supportive behaviour (i.e. no “put-downs”) in the group also contributes to a positive experience.

✧ There will be opportunity for experimentation and applying skills that members have learned throughout this project. Experimenting can be frustrating, but learning through trial and error is an important life skill. Explain to members that it is alright to either go on to the next Skill Builder or do the Skill Builder again if they need the practice. Help the members work through their challenges until they are satisfied with the final results. Creating inventive 4-H members will be very rewarding.

✧ Celebrating success is an important but sometimes overlooked part of our lives. We encourage you to use the final section to empower the members by celebrating all they have learned in a fun manner. Anything that you do to add to the spirit of fun and the sense of accomplishment of each member will likely be remembered as the highlight of their 4-H year.

Have fun and thanks for your belief in young people!
Skill Builder 1: What is an Entrepreneur?

Skills Checklist

- Define entrepreneur
- Identify entrepreneurs in the community
- Suggest traits and skills possessed by successful entrepreneurs

Dream it!

Background for Leaders

Entrepreneurs are important people in every community. An entrepreneur is a person who organizes and manages a business or enterprise with considerable initiative and risk. Entrepreneurs examine the needs and wants in a community and look for ways to improve and overcome problems. Entrepreneurs think of innovative ideas and perform thorough research on the opportunity. Working as an entrepreneur takes planning and entrepreneurs must weigh the risks and possible rewards before making a decision. Often, entrepreneurs create new businesses that provide new and improved products and services. Entrepreneurs help create jobs and opportunities in the community and they increase the quantity of products and services in our economy. It requires a lot of time and effort for a new business to be successful.

Entrepreneurs are often recognized for their variety of skills. They are aware of their capabilities and have a vision of what they want to do. Entrepreneurs set goals and make wise decisions. They are especially good at problem solving when faced with challenges. Entrepreneurs are organized and act as their own boss.

There are many types of businesses. Sole proprietorships are businesses that are operated by a single person. This person has complete control of decision-making and all profits go directly to the owner. A partnership involves two or more people working to operate a business. Start-up costs, management, and profits are shared, but conflict may develop. Corporations can be established federally or provincially. Ownership of corporations can be transferred and shareholders are not personally liable for debts.

For convenience, members may choose to complete portions of this project in a notebook or on their computer.

Important Words

Help members define the following words and listen for them using these words in their discussions. To increase the members’ understanding, try providing a synonym members know or provide examples. The more personalized the examples, the better.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneur</td>
<td>A person who organizes and operates a business or businesses while taking on greater than normal financial risk.</td>
</tr>
<tr>
<td>Business</td>
<td>A commercial establishment actively buying and/or selling products or services.</td>
</tr>
<tr>
<td>Sole Proprietorship</td>
<td>A business owned by a single person.</td>
</tr>
<tr>
<td>Partnership</td>
<td>A business operation between two or more people who share management and profits.</td>
</tr>
<tr>
<td>Corporation</td>
<td>A company, association, or group of people acting as a single entity (or person).</td>
</tr>
</tbody>
</table>
Age Considerations
• 15 +

Thinking Ahead
• What will you discuss with members? Gather observations and think of examples that will help support your decision.

Preparing for Success
• Linking back to the Skills Checklist, help members identify how they will know they have been successful in learning from this Skill Builder. Discuss what success in these activities might look like, sound like, or feel like.

Activating Strategies
To get members thinking about this topic, ask them the following questions:
• How many businesses in your community are locally owned?
• What is an entrepreneur?
• What does an entrepreneur do?

What is an Entrepreneur?
Time Required: 5 minutes

Supplies:
• Pencil
• Dictionary (paper or online source)

Directions:
As an introduction to this Skill Builder and the overall project, ask members to research the definition of entrepreneur.

Definitions should read something similar to “a person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do so.” Encourage members to write the definition using words and language they understand.

Do it!

Who is an Entrepreneur?
Time Required: 20 minutes

Supplies:
• Pencil
Directions:
Ask members to think about the businesses in their community. Members should record the names of local entrepreneurs and the names of their businesses. Remind members that some entrepreneurs work in offices or stores while other entrepreneurs may work at home or outdoors. Entrepreneurs often work in areas such as TV, radio, technology, trades, clothing, food, recreation, books, crafts, hobbies, outdoors, growing and selling produce, etc. Entrepreneurs can range in age from young children to seniors.

Next, ask members to name 3 opportunities for entrepreneurs in agriculture. Some examples of entrepreneurs in agriculture include: farmers, machinery repair, small equipment manufacturing, feed lot operators, custom operations, grain or bale hauling, agronomy consulting, greenhouse garden plant production, market gardens, sheep or alpaca shearing, niche marketing, etc.

Then ask members to list some of the characteristics and skills demonstrated by entrepreneurs identified in the previous part of this activity. Entrepreneurs exhibit skills specific to their business or hobby. Other skills or characteristics may include organization, management, creativity, leadership, decision-making, problem solving, determined, motivated, team player, etc. Members should identify, with checkmarks, the traits they possess. Additional traits that may be beneficial should also be noted. Remind members that most entrepreneurs develop the characteristics and skills they need slowly. Entrepreneurs learn to do what they do.

Interview

Time Required: 45 minutes

Supplies:
- Pencil
- Paper or notebook

When selecting an entrepreneur to interview, encourage members to look to someone with similar interests and who would be willing to be a mentor to members throughout the processes of becoming and working as an entrepreneur.

Directions:
Encourage members to learn about entrepreneurship from an entrepreneur. Members may learn about local entrepreneurs by contacting their local Community Business Development Centre or Chamber of Commerce, economic development offices, or people established in operating a small business. Members should contact a local entrepreneur in advance to set up an appointment for a brief interview. Members should explain that the interview is for a 4-H project and that they are interested in entrepreneurship. Remind members to dress appropriately and prepare questions for an approximately 15 minute interview. Some suggested questions are included below.

- How long have you been in business?
- Why and when did you decide to become an entrepreneur?
- Do you have any education, training, or previous job experience that helped prepare you to start your own business?
- How did you get the money to start the business? *Some entrepreneurs may be uncomfortable answering questions relating to finances*
- How is your business managed?
- What type of business do you operate? (sole proprietorship, partnership, corporation)
- What makes an entrepreneur unique?
- How is your business similar or different to other businesses?
- What do you enjoy most/least about your business?
- How would your life be different if you were working for someone else?
- What advice would you give to people who want to go into business for themselves?
- What are some business products or services that you think are needed in this community that another small business might be able to provide?
Picture This...

Time Required: 20 minutes

Supplies:
• Pencil

Directions:
Ask members to picture their community without any entrepreneurs. Members should identify parts of the community that would be missing, how this change would impact the community, and its overall positive and negative effects. Members can record their thoughts in the space provided in the Member Manual.

Dig it!

Ask members to reflect on their responses to the activities in this Skill Builder by answering the following questions:
• Why are entrepreneurs important?
• What is the best part of being an entrepreneur?
• What is the most difficult part of being an entrepreneur?

What’s next?
Skill Builder 2 looks more closely at business opportunities that are right for each members’ interests.

Leader’s Notes
In the Member Manual

Skill Builder 1: What is an Entrepreneur?

Addy Says...
As you have chosen to complete this project, you must be interested in becoming an entrepreneur. What is an entrepreneur and why are they important to our communities? If it is more convenient, you may complete the activities in this project on your computer or in a notebook.

Skills Checklist
- Define entrepreneur
- Identify entrepreneurs in the community
- Suggest traits and skills possessed by successful entrepreneurs

Important Words
Watch for these important words throughout this Skill Builder:
Entrepreneur, Business, Sole Proprietorship, Partnership, Corporation

Dream it!

What is an Entrepreneur?
Look up and record the definition of an entrepreneur.


Do it!

Who is an Entrepreneur?
Think about the entrepreneurs in your community. Name some of the businesses they operate.

Name three opportunities for entrepreneurs in agriculture.

List some of the characteristics and skills these entrepreneurs possess. Put checkmarks beside the traits you also exhibit. If you also demonstrate additional traits that will be beneficial in operating a business, add them to the list.

Interview
Make plans to visit and interview a local entrepreneur. Prepare questions in advance and record the answers to the questions accurately. You can learn a lot about the benefits and challenges of becoming an entrepreneur by speaking with one in person. Ask about the type of business (sole proprietorship, partnership, corporation) they operate. State the names of the owner and the business and record three things you learned in the space below.

This person may serve as a mentor to help you through the process of becoming an entrepreneur.

Loose Change!
Farmers are entrepreneurs. They take financial risks each year and the weather plays a large part in the success of their business.

Picture This...
Picture your community without any entrepreneurs. What parts of the community would be missing? How would this change impact the community? Would it have both positive and negative effects? Record your thoughts in the space below.

Addy’s Links...
Visit the link to Entrepreneurship Manitoba to learn about becoming an entrepreneur.
http://www.entrepreneurshipmb.ca/business-information/5/im-an-entrepreneur

Dig it!

Why are entrepreneurs important?

What is the best part of being an entrepreneur?

What is the most difficult part of being an entrepreneur?

What’s next?
Skill Builder 2 looks at the business opportunities in your community. Think about a business that is needed in your community and meets your interests.
Dream it!

Background for Leaders

Generally, an entrepreneur sells products, services, or both. Products are articles or items that are manufactured or refined for sale such as crafts, food, artwork, plants, etc. Services involve the action of helping or doing work for someone such as delivery services, painting, collecting garbage or recycling, shovelling snow, mowing lawns, house sitting, baby sitting, or pet sitting.

When looking at business ideas, it is important that the opportunities in the community are analyzed. Some ideas will be better supported in some communities than others. Overall, a business should solve a problem that exists in the community. These business become important parts of the community overall. For example, a community with many seniors will require lawn care and snow removal companies. When analyzing potential business ideas, pros and cons for each idea should be identified. Analysis may focus in community needs, success of other businesses, competition, personal knowledge on the topic, costs, amount of work, expected income, etc. Starting a new business requires a lot of time to prepare a business plan, hire employees, research and establish supply and products, and deal with local by-laws.

Once a business opportunity has been selected for pursuit, members should brainstorm and select a creative name. The name of the business is very important. Choose a name that describes the business’s service or product, highlights quality and reliability, represents the business, does not limit the business’s range of activity, and is easy to recognize, spell, pronounce, and remember. A business name should grab customer’s attention. Make sure it is not too similar to the names of competitors and does not violate copyright regulations.

Important Words

Help members define the following words and listen for them using these words in their discussions. To increase the members’ understanding, try providing a synonym members know or provide examples. The more personalized the examples, the better.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Product</td>
<td>An article or item that is manufactured or refined for sale.</td>
</tr>
<tr>
<td>Service</td>
<td>The action of helping or doing work for someone.</td>
</tr>
<tr>
<td>Consumers</td>
<td>People who purchase products or services for personal use, also referred to as customers.</td>
</tr>
<tr>
<td>Problem</td>
<td>An issue or community need that can be solved by a business.</td>
</tr>
</tbody>
</table>

Age Considerations

- 15 +
Thinking Ahead

- What will you discuss with members? Gather observations and think of examples that will help support your decision.

Preparing for Success

- Linking back to the Skills Checklist, help members identify how they will know they have been successful in learning from this Skill Builder. Discuss what success in these activities might look like, sound like, or feel like.

Activating Strategies

To get members thinking about this topic, ask them the following questions:

- What is the difference between products and services?
- Will your business offer products or services or both?
- What is the most unique business name you have ever heard?

Products or Services

**Time Required:** 10 minutes

**Supplies:**
- Pencil
- Local business directory (found in phone books, newspapers, or online)

**Directions:**
A business can provide goods, services, or both goods and services to its consumers. Ask members to provide some examples of businesses that fit in each category. You may provide some of the following examples.

<table>
<thead>
<tr>
<th>Products</th>
<th>Services</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling crafts or cards</td>
<td>Delivery service</td>
<td>Pizza delivery</td>
</tr>
<tr>
<td>Selling food products</td>
<td>Pet sitting</td>
<td>Online purchases (with shipping)</td>
</tr>
<tr>
<td>Growing and selling plants/ vegetables/flowers</td>
<td>House sitting</td>
<td>Catering</td>
</tr>
<tr>
<td>Selling artwork</td>
<td>Child care</td>
<td></td>
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<tr>
<td></td>
<td>Painting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Custom Feed Lot</td>
<td></td>
</tr>
</tbody>
</table>

**Do it!**

**Problem Solved**

**Time Required:** 20 minutes

**Supplies:**
- Pencil
Directions:
Ask members to think about the following situations. Every business venture should be operating to solve a problem in the community. Members should understand the problem in each scenario and suggest a possible solution. Members may suggest a variety of solutions to these problems. There is no one correct answer.

Scenario 1: The average age of the community is increasing. Many seniors still live in their own homes, but are unable to care for their properties.
Possible Solution: You could start a lawn care and snow removal business to assist the seniors and prevent injuries as they attempt to care for their property.

Scenario 2: Your community is somewhat isolated and food has to be transported a long distance to your grocery store. Sometimes the produce quality is very poor when it arrives.
Possible Solution: You could start a market garden. Grow your own fruit or vegetables and sell them.

Scenario 3: Restaurants in your community serve mostly fast food. There isn’t a good place to meet for an important lunch meeting.
Possible Solution: You could open a coffee shop with sit-down lunch options and specialty desserts.

Scenario 4: You have seen many people raking their lawns. They are having difficulty keeping their leaf bag open as they try to fill it.
Possible Solution: You could invent and sell a bag holder. (Too bad this has already been invented.)
Many innovative solutions have led to business opportunities. Some examples include folding canes and stand up canes, reusable candles, sporks, solar phone chargers, and flat extension cords.

Business Ideas

Time Required: 30 minutes

Supplies:
• Pencil

Directions:
Ask members to brainstorm as many potential business ideas for their community as possible. Members may wish to use a mind map or web to organize their thoughts. Members should be able to describe the products or services each business idea would offer.

Following brainstorming, ask members to select two business ideas that are of greatest interest to them. Members should list pros and cons for each business idea while considering their knowledge on the topic, costs, amount of work, expected income, etc. Members should state the problem that is solved by starting the business for each idea. Members may already have a business idea and a rough plan explaining how they will start their business. Before they jump in, encourage members to consider other options. This way members will identify pros and cons of their idea and they may learn from the strengths and weaknesses of other business ideas. One idea may clearly be better or more intriguing than the other. It might meet the interests or lifestyle choices of a member more strongly than another idea. Members may want to seek the advice of others to see if there is a need for their business ideas. Members may speak to their mentor, friends, family, teachers, or potential customers for feedback on their ideas.
Name It

Time Required: 20 minutes

Supplies:
• Pencil

Directions:
Encourage members to pick the business opportunity that they would like to pursue and choose an appropriate name for their business. Then, ask members to name some of the products or services their business will offer along with a detailed description. Members may choose to prepare a sample or prototype of one or more products so potential consumers can see the items and interest in the business will grow.

Dig it!

Discuss the following questions with members.
• Why should a business open as a solution to a problem that already exists in the community?
• Why are the opinions of potential consumers important in your decision as you select a business opportunity to pursue?
• How difficult was it to select a name for your business? Why?

What’s next?

In the next Skill Builder members will research the markets to project the success of their business using statistical data.
In the Member Manual

Skill Builder 2: Business Opportunities

Addy Says...
There may be a variety of business opportunities in your community. Today, businesses can serve customers many miles away through online services.

SKILLS CHECKLIST
- Distinguish between products and services
- Identify pros and cons of business ideas
- Address a local problem with a business solution

Important Words
Watch for these important words throughout this Skill Builder:
Product, Service, Consumers, Problem

Dream it!

Products or Services
A business can provide goods, services, or both goods and services to its consumers. Provide some examples of businesses that fit in each category.

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</tr>
</thead>
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</table>

Loose Change!
Products are often one-time purchases, while services can be recurring payments. Both products and services may be specialized to meet consumers’ specific needs.

Do it!

Problem Solved
Consider the following scenarios. Identify the problem and suggest how an entrepreneur could offer a solution.

Scenario 1: The average age of the community is increasing. Many seniors still live in their own homes, but are unable to care for their properties.

Scenario 2: Your community is somewhat isolated and food has to be transported a long distance to your grocery store. Sometimes the produce quality is very poor when it arrives.

Scenario 3: Restaurants in your community serve mostly fast food. There isn’t a good place to meet for an important lunch meeting.

Scenario 4: You have seen many people raking their lawns. They are having difficulty keeping their leaf bag open as they try to fill it.

Loose Change!
If you find a problem with something you are using it, there are likely hundreds of other people who feel the same way. Try to find the solution and start a business.

Business Ideas
Brainstorm potential business ideas for your community. What products or services would these businesses provide?

Your mentor will be able to help you analyze these business options.

Select two different business ideas that interest you. You may already have a strong preference for one idea, but it is important that you consider all of your options by answering these questions. For each idea, record a list of pros and cons. Consider your knowledge on the topic, costs, amount of work, expected income, etc. State the problem that is solved by starting each business.

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In the Member Manual

Name It
Select the business that you would like to pursue. Your choice should match your interests and lifestyle choices. Choose a catchy name for your business. Name some of the products or services you will offer and include a detailed description in the space below. You may wish to prepare a sample or prototype of one or more products so potential customers can see the item and interest in the business will grow.

Business Name: ________________________

My Products or Services:

Loose Change!
The name of your business is very important. Choose a name that describes your products or services, does not limit your business’s range of activity, and is easy to spell, pronounce, and remember.

Addy’s Links...
Learn more about selecting a business name by watching this short video: https://www.youtube.com/watch?v=cwep0IPtgbc. You may already have an idea of an excellent name or potential name ideas may come to you quickly.

Dig it!
Why should a business open as a solution to a problem that already exists in the community?

Why are the opinions of potential consumers important in your decision as you select a business opportunity to pursue?

How difficult was it to select a name for your business? Why?

What’s next?
Is this a good business idea? In the next Skill Builder you will perform research to learn about the industry and the market to identify interested customers.
Dream it!

Background for Leaders

Every good entrepreneur will research the industry and markets before moving forward with an idea. Research helps increase the chance of success of a business. Entrepreneurs need to know that their business idea will be supported by enough customers to make it profitable.

Research can be conducted online or through contact with potential customers. Online research or reading will help identify trends in the industry and in the markets. Health and IT (Information Technology) services are two industries that are consistently expanding. Knowledge of growth of similar businesses in other areas will be helpful in knowing whether there is a demand for the goods or services.

Surveys, conducted by telephone, mail, in person, or online through websites that allow you to create surveys, can provide valuable information in areas specific to the business of interest. Surveys allow an anonymous response to questions and reach many veins of the population’s demographics. Overall, analysis of the survey data helps identify the business’s target market (targeted customers) and the preferences of those who may or may not use the business. Surveys could help identify recreation and leisure interests of the community relating to the business idea and may offer suggestions for additions to the overall business.

Important Words

Help members define the following words and listen for them using these words in their discussions. To increase the members’ understanding, try providing a synonym members know or provide examples. The more personalized the examples, the better.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Economic activity involving processing raw materials and manufacturing goods in factories.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>A medium that allows buyers and sellers of a specific good or service to interact and exchange. Markets may be physical interactions or virtual, online interactions.</td>
</tr>
<tr>
<td>Demographics</td>
<td>Statistical data relating to the population and groups within the population.</td>
</tr>
<tr>
<td>Survey</td>
<td>To ask many people a question or series of questions to gather information about what most people do or think about something.</td>
</tr>
<tr>
<td>Data</td>
<td>Facts and statistics collected for analysis.</td>
</tr>
<tr>
<td>Target Market</td>
<td>A particular group of consumers at which a product or service is aimed.</td>
</tr>
</tbody>
</table>
Age Considerations

- 15 +

Thinking Ahead

- What will you discuss with members? Gather observations and think of examples that will help support your decision.

Preparing for Success

- Linking back to the Skills Checklist, help members identify how they will know they have been successful in learning from this Skill Builder. Discuss what success in these activities might look like, sound like, or feel like.

Activating Strategies

To get members thinking about this topic, ask them the following questions:

- Who do you think will use your business?
- Who do you think will not use your business?
- How can you find out about your potential customers?

While thinking about their business ideas, members should try to recall similar business ideas that have been tried in their community and identify whether or not they were successful. Ask members to think about who their business will appeal to; they should record specific information such as gender, age, interests, occupations, etc. This information is ultimately identifying their vision of their target market.

**Do it!**

**Industry Research**

Time Required: 30 minutes

Supplies:

- Pen or pencil
- Online access to financial/market websites
- Business related reading materials

Directions:

Ask members to research the industry involving their business. Remind members that an industry is all of the economic activity involved in processing and manufacturing on a large scale, while the market is the purchase and sale of goods or services on a smaller scale. Throughout this activity members should learn about trends or forecasts in the industry. They may determine whether they should expect growth in the industry. If members are starting a business offering services, they may be able to determine whether the service is growing in demand or popularity in other areas of the province or country. Members should research the different demographics that the goods or services appeal to and record their findings.
Surveying

Time Required: 3 hours

Supplies:
- Pen or pencil
- Access to a computer and printer or online survey program

Directions:
Members will prepare questions and conduct a survey relating to their business idea. Members should aim for as large a sample of the population as possible. For the purposes of this activity, expect members to gather a minimum of 50 survey responses. There are many points to keep in mind when preparing a survey. Questions may include information about the respondents’ ages, interests, preferences (relating to location and pricing), etc. Some sample questions are listed below.

Members may require assistance writing questions and organizing the overall survey. The survey should begin by stating the intentions of the survey, offering clear instructions, and explaining that responses will remain confidential.

- Do not require respondents to include their age or any other identification on the response sheets.
- Members should ensure that respondents have an option of not responding to a question if they are uncomfortable providing a response. Some questions should offer a ‘Prefer Not To Answer’ option.
- If members are asking a question where respondents select a range (ex. What price would you be willing to pay for the service?) the options should not overlap and all possible options should be considered.
- Some questions will require an option such as ‘Other’, ‘None of the Above’, or ‘Don’t Know’. It is important that respondents answer all of the questions so that members aren’t assuming that the question was missed.
- Avoid leading questions. These are questions that persuade respondents to select a specific response. For example, “Do you agree that pesticides are bad for the environment?” People are more likely to say “Yes” because you are asking them to agree.
- Ask a few other people to read your survey before you distribute it for data collection.

The following are some examples of common survey questions. Members will need to adjust and write questions to meet the needs of market research for their business idea.

A. Which age group do you fit in?
   - 0-20
   - 21-40
   - 41-60
   - 61-80
   - 81+

B. Indicate your gender.
   - Male
   - Female
C. Would you rather purchase a membership or pay a daily fee?
   - Membership
   - Daily Fee
   - Don't Know/Prefer not to answer

D. How satisfied were you with your experience?
   - Very Satisfied
   - Satisfied
   - Neutral
   - Dissatisfied
   - Very Dissatisfied

E. What would you be willing to pay monthly for a membership?
   - Under $30
   - $31-$40
   - $41-$50
   - $51-$60
   - $60+
   - Don't Know/Prefer not to answer

F. What is your average household income?
   - Below $35 000
   - $35 000 - $40 000
   - $41 000 - $50 000
   - $51 000 - $60 000
   - $61 000 - $70 000
   - Above $70 000
   - Prefer not to answer

Surveys can be conducted using a variety of methods. Encourage members to survey as many different people as possible. Remind members to keep their results anonymous. Also, ensure members are safe while they are conducting their surveys in person or online. An adult should be present and conducting surveys in a public place is recommended.

Analysis

Time Required: 1 hour

Supplies:
- Pen or pencil
- Computer with a Spreadsheet program (optional)

Directions:
Following surveying, members will need to summarize the data they have collected by organizing the responses for easier analysis. Members may choose to use a spreadsheet or tally system to calculate their results. Overall, members should identify the specific demographic, or group of people, that appears to be most interested in what the business offers; this is the target market. Members will represent their results in an organized way such as a pie chart or graph. This data will be used in future activities, too. Members may refer to their mentor as they create their survey and analyze the results. An example of a pie chart is included on the following page.
Following their analysis, members should be able to clearly define their target market such as ‘The consumers that will use the lawn and snow removal service are men and women over the age of 70 who are living in their own homes.’ Members should also record a more detailed description of their product or service and list any changes they would like to make to their plan.

**Dig it!**

Discuss the following questions with members:
- What was the most surprising part of your survey results?
- What was the least surprising part of your survey results?
- What other questions do you have now?

**What’s next?**

The next Skill Builder focuses on business competition. Members will learn about the advantages and disadvantages of a competitive market.

| Leader’s Notes |
Skill Builder 3: Market Research

Addy Says...
It’s time to look more deeply at your business idea. Ask potential customers whether they would purchase your product or service. A good entrepreneur never hangs onto an idea as much as it is loved. If research shows it will not work as a business.

SKILLS CHECKLIST
- Prepare a survey
- Interpret data and market trends
- Identify a target market

Important Words
Watch for these important words throughout this Skill Builder: Industry, Market, Demographics, Survey, Data, Target Market

Dream it!
Think about your business idea. Has it been tried in your community?
Was it successful?
Picture the business you would like to operate. Describe the customers your business will appeal to most strongly.

Do it!
Industry Research
Watch the video in Addy’s Links below. Research your industry online. Remember, an industry is all of the economic activity involved in processing and manufacturing on a large scale, while the market is the buying and selling of goods or services on a smaller scale. Learn about trends or forecasts for the industry online and in printed business materials. Is your business idea gaining popularity? If you are working on starting a business offering services, find out if that service is increasing in demand. Also, look for information on the demographics that the goods or services appeal to. Record your findings.

Addy’s Links...
Futurepreneur Canada produced the following video explaining market research and target markets. (Watch the first 5:15 in this Skill Builder. Continue watching more of this video in Skill Builder 4) https://www.youtube.com/watch?v=LyZOP71rcY

Surveying
Research is essential before launching a business. Conducting surveys will help you determine the profitability of your business idea in your community. Prepare questions and conduct surveys by asking at least 50 different people. Make sure you are safe while you are conducting your research. As you prepare your survey questions, think about the things you need to know about your customers.
Include a copy of your survey questions. Additional considerations when preparing and conducting a survey are included in the Leader Guide.

Addy Says...
You can conduct surveys by telephones, mail, in person, or online.

Loose Change!
Make sure you reach many different demographics as you conduct your survey. Don’t just ask your friends with similar interests.

Your mentor can help you construct your survey and identify your target market by organizing your results.

Analysis
Following surveying, you need to do something with all of the data you have collected. Identify the specific demographic or group of people that appears to be most interested in what your business offers; this is your target market. You may choose to use a spreadsheet or tally system to calculate your results. Represent your results in an organized way such as a pie chart or graph. You will need to use this data in future activities, too.

My target market is...
Now that you know what your potential customers want, provide a more detailed description of your product or service and list any changes you will make to the business.

Dig it!
What was the most surprising part of your survey results?

What was the least surprising part of your survey results?

What other questions do you have now?

What’s next?
You will meet your competition in Skill Builder 4. An analysis of these businesses will help you take advantage of your business opportunities.
Skill Builder 4: Competition

Skills Checklist

- Complete a SWOT analysis
- Differentiate a business from its competitors
- Provide excellent customer service

Dream it!

Background for Leaders

Competition is the rivalry among businesses to achieve goals, such as increasing profits. In some cases competition is good. Competition can make your product or services look better and it can offer opportunities to work together. To be a strong competitor, business owners need to adapt and change quickly.

A SWOT analysis is an overall analysis of a business. SWOT stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors such as finances, location, equipment, employees, etc. Strengths are characteristics that give a business an advantage over others. Weaknesses are characteristics that give a business a disadvantage relative to other businesses. Opportunities and threats are external factors that affect a business. Opportunities refers to elements that the business could exploit, such as new technology. Threats are elements in the environment that could cause trouble for the business, such as new regulations. Following a SWOT analysis, a business should plan to improve their business and list some resulting strategies.

Customer service is one area that can differentiate a business from its competitors. Examples of good customer service include effective communication, appropriate greetings, good listening skills, engagement and interest, timely responses to customers, a strong understanding of the products or services, remaining calm during conflict, and staying polite at all times. Quality standards are a level of expectation in a product or service that the business will guarantee. These standards may involve warranty for products or services. Quality standards will help businesses earn and keep customers.

Important Words

Help members define the following words and listen for them using these words in their discussions. To increase the members’ understanding, try providing a synonym members know or provide examples. The more personalized the examples, the better.

<table>
<thead>
<tr>
<th>Competitor</th>
<th>Another person or business that sells similar products or services and holds a share in the market.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SWOT Analysis</td>
<td>A study performed by an organization to identify internal strengths and weaknesses and external opportunities and threats.</td>
</tr>
<tr>
<td>Resulting Strategy</td>
<td>A decision or plan of action to achieve an overall aim following research or analysis.</td>
</tr>
<tr>
<td>Customer Service</td>
<td>Assistance and advice provided by a company to its customers.</td>
</tr>
</tbody>
</table>
Age Considerations
• 15 +

Thinking Ahead
• What will you discuss with members? Gather observations and think of examples that will help support your decision.

Preparing for Success
• Linking back to the Skills Checklist, help members identify how they will know they have been successful in learning from this Skill Builder. Discuss what success in these activities might look like, sound like, or feel like.

Activating Strategies
To get members thinking about this topic, ask them the following questions:
• Who sells a similar product or service?
• Is competition good or bad?

As members are thinking about competition, ask them to identify businesses that operate with similar products or services to their business idea. Members should begin thinking about whether these competitors are gaining strength and what makes these businesses unique.

Do it!

SWOT Analysis

Time Required: 1 hour

Supplies:
• Pencil
• Transportation

Directions:
In this activity, members will analyze their competition using a SWOT analysis. Members will visit the businesses of two competitors. Following each visit, they will record their observations in the SWOT tables. Members may need to travel to another community to learn about a similar business if such a business is not established in their community. If members have some background knowledge on the business’s recent performance and activity in the market they will be able to complete the chart more easily and can include more details. Members can learn a lot from observing their competition. Encourage members to note the cost of products or services and to observe the customer service that is displayed at each business. An example of a SWOT analysis chart is displayed on the following page.
### Example SWOT Analysis for an Ice Cream Shop

<table>
<thead>
<tr>
<th></th>
<th>Helpful</th>
<th>Harmful</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal</strong></td>
<td><strong>Strengths</strong></td>
<td><strong>Weaknesses</strong></td>
</tr>
<tr>
<td></td>
<td>- Location (busy street)</td>
<td>- Seasonal business</td>
</tr>
<tr>
<td></td>
<td>- Covered/screened patio</td>
<td></td>
</tr>
<tr>
<td><strong>External</strong></td>
<td><strong>Opportunities</strong></td>
<td><strong>Threats</strong></td>
</tr>
<tr>
<td></td>
<td>- Adding toppings</td>
<td>- Weather</td>
</tr>
<tr>
<td></td>
<td>- Adding lactose-free options</td>
<td>- New competitors</td>
</tr>
<tr>
<td></td>
<td>- Children's play area</td>
<td></td>
</tr>
</tbody>
</table>

Resulting Strategy: The Ice Cream Shop will offer a vanilla lactose-free product and will research additional topping preferences of customers.

### My SWOT

**Time Required:** 20 minutes

**Supplies:**
- Pencil

**Directions:**
By this point in the project, members should have a relatively clear image of how their business will operate and the products it will offer. Members should use this information to complete a SWOT analysis for their business when it is in operation. Members will complete a chart similar to the one above.

After analyzing their business and their competitors, members should think about the actions they will take to respond to the competitive situation. Members should explain their resulting strategy. An example of a resulting strategy is shown above.

### Sell It!

**Time Required:** 45 minutes

**Supplies:**
- Pencil
- Items for sale (any of the following: soup ladle, scissors, coffee mug, shoes, toilet paper, toothbrush, floor mat/rug)
**Directions:**
This activity focuses on strategies to make sales in a competitive market. First, members will identify three things they noticed relating to good customer service while visiting the businesses of competitors.

Then discuss quality standards and the value they offer to customers. Members should identify a quality standard they can guarantee with their business products or services.

Lastly, members will practice selling their product. Salespeople need to ensure that everyone knows why their product or service is the best. Members will present an Elevator Pitch (30 second spiel) recommending the product. Use regular household items such as a soup ladle, scissors, coffee mug, shoes, toilet paper, toothbrush, floor mat/rug, or anything else you can think of. Members may also describe services such as pet sitting or a new burger at their restaurant. In 30 seconds, members need to grab the attention of potential customers and clearly describe why the product or service is great and why buyers should use their products or services. Remind members to focus more on why their product is great and less on why other products are bad. After practising selling these items, members should give an Elevator Pitch for the products or services their business provides. The pitch should sound like a conversation, not a well rehearsed infomercial.

**Dig it!**

Ask members to answer the following questions:
- What surprised you most when analyzing your competition?
- In what ways could you work with your competitors?
- How will you go beyond what your customer expects?

**What’s next?**

Operating a business can be expensive and requires organization. Members will learn about business operations in Skill Builder 5.
Skill Builder 4: Competition

Addy Says...
Competition in the market isn’t always a bad thing. You can learn from your competitors. Competition will drive you to be the best you can be. You might even work with your competitor on a project at some time.

SKILLS CHECKLIST
- Complete a SWOT analysis
- Differentiate a business from its competitors
- Provide excellent customer service

Important Words
Watch for these important words throughout this Skill Builder: Competitor, SWOT Analysis, Resulting Strategy, Customer Service

Dream it!
It is important that you know as much as possible about other businesses that sell similar products or services. Name other businesses in your community or nearby communities that will be your competitors when you start your business.

Addy’s Links...
Continue watching (from 5:15 to 9:00 min) the video produced by Futurpreneur Canada listed in the previous Skill Builder. https://www.youtube.com/watch?v=L3QPF7teY

Do it!
SWOT Analysis
Visit at least two competing businesses and perform a SWOT analysis. In a SWOT analysis you will identify the business’s internal strengths and weaknesses and the external opportunities and threats. While you are visiting the businesses, try to learn as much as possible about the operation of the business and the trends the business owner is following. Take note of the prices they are charging and the people using the business. Do they match the price range and target market you identified in your survey?

My SWOT
Picture your own business in operation. What will your SWOT analysis look like?

<table>
<thead>
<tr>
<th>Business # 1:</th>
<th>Helpful</th>
<th>Harmful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>Strengths</td>
<td>Weaknesses</td>
</tr>
<tr>
<td>External</td>
<td>Opportunities</td>
<td>Threats</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business # 2:</th>
<th>Helpful</th>
<th>Harmful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>Strengths</td>
<td>Weaknesses</td>
</tr>
<tr>
<td>External</td>
<td>Opportunities</td>
<td>Threats</td>
</tr>
</tbody>
</table>
In the Member Manual

After analyzing your business and your competitors, think about the actions you will take to respond to the competitive situation. Explain your resulting strategy.

Sell it!
Good businesses offer good customer service. Name three things you noticed while visiting businesses of competitors that displayed good customer service.
1. 
2. 
3. 

Quality standards are guarantees you offer as a business owner. What is one quality standard your new business will work to ensure?

Traits of an excellent salesperson will draw attention to your business. Practice enthusiastically recommending products to others in what is known as an Elevator Pitch. You have the span of an elevator ride to sell your product or service to fellow elevator riders. What would you tell them in 30 seconds? Practice selling these other household items and services; then, pitch your own business idea.

Sell this:
• Soup Ladle
• Coffee Mug
• Pet Sitting
• Burger from a restaurant
• Scissors

Loose Change!
Think about what makes the product great and why a customer would need to make this purchase from you. Your body language and tone of voice can say a lot more than your words!

Dig it!
What surprised you most when analyzing your competition?

In what ways could you work with your competitors?

How will you go beyond what your customer expects?

What’s next?
Running a business isn’t cheap. In Skill Builder 5 you will learn about some of the expenses you will encounter even if you aren’t making sales.
Skill Builder 5: Operations

Skills Checklist
- Identify a business location
- Prepare price lists
- Estimate costs of operational expenses

Dream it!

Background for Leaders

Operating expenses are the expenses associated with day-to-day processes in a business. Operations include location and rent, equipment, labour, maintenance, etc. There may be additional expenses relating to how supplies or materials are received.

In order to do business in Canada, members may require a variety of licenses or permits. Provinces and communities also have rules and requirements of businesspeople. Businesses may need to be registered, too. Learn more about registering businesses at http://companiesoffice.gov.mb.ca/.

Depending on the size and type of the business, insurance may be a necessity. Insurance can be obtained from a broker or agent. Learn more about insurance by visiting a local Chamber of Commerce or go to http://www.canadabusiness.ca/eng/page/2684/.

There are 4 P’s in business: place, price, product, and promotion. Place or location is critical to businesses. Renting or leasing can be expensive. The location of a business should be in close proximity to citizens of the target market that was identified based on research. Some businesses are based in the owner’s home or yard. Rent is much lower but some renovations may be required. People selling crafts may book tables at a fair or local Farmers’ Market. The location of a display table at a fair is also important. The price of the products or services should be competitive and within the range that was identified through surveying. The price of items should be reasonable for consumers, but high enough that the business owner is earning a profit. The product or service should be clearly identified. Promotion is covered in the next Skill Builder.

Important Words

Help members define the following words and listen for them using these words in their discussions. To increase the members’ understanding, try providing a synonym members know or provide examples. The more personalized the examples, the better.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>The processes and resources that are used by a business including location, equipment, labour, and processes.</td>
</tr>
<tr>
<td>Proximity</td>
<td>The nearness in space or time of two or more objects or places.</td>
</tr>
<tr>
<td>Pricing</td>
<td>Deciding the amount of payment required for a product or service.</td>
</tr>
<tr>
<td>Human Resources</td>
<td>The people who make up the workforce of an organization or business.</td>
</tr>
</tbody>
</table>

Age Considerations
- 15 +
Thinking Ahead

- What will you discuss with members? Gather observations and think of examples that will help support your decision.

Preparing for Success

- Linking back to the Skills Checklist, help members identify how they will know they have been successful in learning from this Skill Builder. Discuss what success in these activities might look like, sound like, or feel like.

Activating Strategies

To get members thinking about this topic, ask them the following questions:

- How much do you think it will cost you to operate your business?
- What hours will your business be open?
- Will you require additional staff?
- Where will your business be located?

Ask members to identify some of the expenses they will encounter daily as they are operating their businesses. These operating expenses may include staff wages, rent, utilities, maintenance, supplies, transportation, etc. Operating expenses will vary depending on the type of business members plan to operate.

Do it!

Location, Location, Location

This activity will take many different forms depending on the type of business members plan to operate. Some businesses will require a permanent, physical location while other businesses may be based in someone's home. Businesses offering services may not require a physical location. Today, many businesses operate online.

Time Required: at least 30 minutes

Supplies:

- Pencil
- Internet Access or a Real Estate Agent (optional)

Directions:

Ask members to think about where their business will operate. Overall, members should select a location and record the costs. Location can be the key to a successful business. Encourage members to look for the perfect location for their business. If they are selling products, they should research the costs of purchasing, renting, or leasing space. If they are offering services, they should research parts of the community or province where their business will be most successful. When searching for a business location, members should consider the size of the space, repairs that will be required, safety of the neighbourhood, opportunities for expansion, and proximity to their target market (as identified in Skill Builder 3). They should also consider additional expenses at this location including taxes, setting up their work space, renovations, and furnishings. The needs of their workspace will vary depending on the business idea. Members may pay rent to their parents to operate their business at home or to borrow equipment.
Price Lists

Time Required: 30 minutes

Supplies:
- Pencil
- Computer program to design formal price list

Directions:
Members will create a price list showing the name of the item and the price customers will pay. When preparing a price list, members should think about the prices that competitors were charging and the costs they will encounter as they provide the products and services. Data from the survey will show what potential customers are willing to pay. Be sure that each item is clearly described so customers know what they are getting for the price they will be expected to pay. An example of a price list for a recreation facility is included below:

- Adult - Full Day - Full Access $20
- Adult - Half Day - Full Access $15
- Youth - Full Day - Full Access $15
- Youth - Half Day - Full Access $10
- Equipment Rentals $5

Operating Costs

Time Required: 30 minutes

Supplies:
- Pencil
- Calculator

Directions:
Members will summarize their monthly operating costs in a Statement of Operating Costs. Operating costs are the expenses that occur because of the function of a business. Answering the following questions (also included in the Member Manual) will help members understand the operational aspects of their business.

- What hours will your business be open? (Some businesses are always open through the use of online services, emails, text messages, and cell phones).
- How many additional staff will you require and for how many hours each month? (Conditions of staffing should meet Manitoba Employment Standards at www.manitoba.ca/labour/standards)
- What additional costs will you encounter relating to employees?
- What maintenance expenses will you encounter?
- What will your utilities cost each month?
- What supply materials or equipment will you need?
- Will you require licenses, permits, or memberships? (You may require a license to make sales in the community. Farmer’s Markets may require you pay a membership. Tables at craft sales or trade shows will cost money.)
- Will you require insurance? (The size of the business will determine the amount of insurance that is recommended. Insurance can cover vehicles, equipment, inventory, and the owner.)

A sample Statement of Operating Costs is provided on the following page.
Dig it!

Relate the costs of operations to the following questions:
- Does location matter to an online based business?
- Will your prices be competitive in the local market? Why or why not?
- Were you surprised by the overall operating expenses? Why or why not?

What’s next?
Members will prepare to further promote and advertise their business in Skill Builder 6.
In the Member Manual

Skill Builder 5: Operations

Addy Says....
Starting a business requires planning. You will need to prepare for daily operations. Consider your business hours, staffing needs, location, and regular maintenance costs. Each piece is important and these costs will add up.

SKILLS CHECKLIST
- Identify a business location
- Prepare price lists
- Estimate costs of operational expenses

Important Words
Watch for these important words throughout this Skill Builder:
Operations, Proximity, Pricing, Human Resources

Dream it!
Name some of the day-to-day expenses you will encounter as you are operating your business.

Your mentor can help you by identifying operating expenses they encounter in their own business.

Addy's Links....
The Canadian Business Network provides this information to help entrepreneurs manage the daily operations of any business. http://www.canadabusiness.ca/emp/page/3427/

Do it!

Location, Location, Location
The location of your business will vary depending on the type of business you plan to operate. When selecting a business location, consider the size of the space, repairs that are needed, safety of the neighbourhood, opportunities for expansion, and proximity to your target market. Research different options and the costs of each option in your area. Maybe you can operate your business from home. You will need to think about the costs associated with setting up your business. In the space below, summarize the costs you will encounter based on the location you selected. Costs may include purchase of land or a building, rent, renovations, furnishings, etc.

Location:
Total Set Up Cost of Business Location:________

Price Lists
If you are going to start a business as a way of earning money, you need to know how much you will charge for each product or service. Begin listing your inventory by recording the names of the items and the prices customers will pay. Think about the prices that competitors were charging and the costs you will encounter as you provide the products and services. Your data from your survey shows the amount that potential customers are willing to pay. Be sure that each item is clearly labeled so customers know what they are getting for the price they will be expected to pay. You may need to adjust your prices as you do more research.

Item
Price

Loose Change!
Operating expenses are expenses that occur every month. You must pay these expenses even if your business isn't making sales.

Loose Change!
You can choose to offer seasonal sales, negotiate prices, or offer discounts to family, friends, or employees.
In the Member Manual

Operating Costs

Summarize your operating costs in the space below. Calculate a value that represents the monthly expenses that will arise as your business is operational. A sample Statement of Operating Costs is included in the Leader Guide. Answering the following questions will help you complete the chart.

What hours will your business be open?

How many additional staff will you require and for how many hours each month? Your hours and staff will determine the cost of human resources.

What maintenance expenses will you encounter?

What will your utilities cost each month?

What supply materials or equipment will you need?

Will you require licenses, permits, or memberships?

Will you require insurance?

<table>
<thead>
<tr>
<th>Operating Expense</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Total Expenses

Loose Change!

Many small businesses operate on limited expenses until they are earning a steady profit.

Dig it!

Does location matter to an online based business?

Will your prices be competitive in the local market? Why or why not?

Were you surprised by the overall operating expenses? Why or why not?

What's next?

Make sure everyone knows about your business. Skill Builder 5 looks at sales and marketing. You will prepare your own promotional and advertising items.
Skill Builder 6: Sales & Marketing

Skills Checklist
- Describe products and/or services
- Prepare advertising material
- Create and present promotions

Dream it!

Background for Leaders

Sales are an important part of every business. Sales are essential to earning revenue and an overall profit. Marketing strategies help increase sales. Many businesspeople are familiar with the 4 P’s of marketing (product, place, promotion, and price) that were introduced in Skill Builder 5.

There are many forms of marketing including slogans, logos, advertisements, and promotions. Slogans are short memorable phrases used in advertising. You are reminded of a specific business every time you hear or think of a slogan. Logos are graphics, marks, emblems, or symbols used to promote instant public recognition. Advertisements are notices to the public presenting a product, service, or event. Advertisements can be presented on TV or radio, on the internet, in newspapers, and as brochures or flyers. Advertisements are long-term efforts to draw attention to a business and build the brand. Promotions are short-term incentives to increase sales. Examples of promotions include free samples, coupons, trial purchases, and special promotional events. Businesses can also gain publicity through displays at trade shows or events and by word of mouth. Marketing of your products or services must be carefully planned as the costs of advertising will affect overall profits.

An awareness of prices is important in marketing. Good deals will draw customers but businesspeople need to ensure they make a profit overall. You can’t give product away and make a profit on it. Prices should be comparable to competitors.

Important Words

Help members define the following words and listen for them using these words in their discussions. To increase the members’ understanding, try providing a synonym members know or provide examples. The more personalized the examples, the better.

<table>
<thead>
<tr>
<th>Slogan</th>
<th>A short, memorable phrase used in advertising.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logo</td>
<td>A graphic, mark, emblem, or symbol to promote instant public recognition.</td>
</tr>
<tr>
<td>Advertisement</td>
<td>A notice or announcement to the public presenting a product, service, or event.</td>
</tr>
<tr>
<td>Promotion</td>
<td>An act, event, or offer that helps to increase interest or demand for something.</td>
</tr>
<tr>
<td>Coupon</td>
<td>A voucher or code that entitles the holder to a discount on a particular product.</td>
</tr>
</tbody>
</table>
Age Considerations
- 15 +

Thinking Ahead
- What will you discuss with members? Gather observations and think of examples that will help support your decision.

Preparing for Success
- Linking back to the Skills Checklist, help members identify how they will know they have been successful in learning from this Skill Builder. Discuss what success in these activities might look like, sound like, or feel like.

Activating Strategies
To get members thinking about this topic, ask them the following questions:
- How will people know about your business?
- What will keep people coming back to your business?

Slogan Sort
Members will match the business name to its slogan.

Wal-Mart  that’s positive energy.
Magic Kingdom (Walt Disney World)  Open Happiness
Nike  i’m lovin’ it
Energizer  Taste the Rainbow
McDonald’s  Just Do It.
KFC  The most magical place on earth
Coca Cola  Save Money. Live Better.
Smarties  Show your colours
Skittles  it’s finger lickin’ good

Following the matching activity, members should think creatively about potential slogans they may use for their business. A slogan should be decided on for advertising purposes. At this point, members should reflect on the name they selected for their business in Skill Builder 2. The name of the business may need to be revised to reflect the current vision of the business.
Do it!

Logo

Time Required: 45 minutes

Supplies:
- Pencil
- Crayons
- Scrap Paper
- Computer program to design a logo (optional)

Directions:
Members should create a logo for their business. They may choose to draw the logo or use a computer program to produce the logo. Creativity is key when creating a logo. Members should consider the colours that will most appropriately represent the business. Choose features that will appeal to the audience. Remind members to think about how the logo will appear on printed materials or on a sign. Members should include a copy of their logo in the Member Manual.

Advertising

Time Required: 45 minutes

Supplies: (will vary based on selected advertising method)
- Pencil
- Scrap Paper
- Crayons
- Computer
- Video device

Directions:
Members will prepare at least one form of advertisement for their business. Advertisements are ongoing efforts to increase sales and can be presented as television, internet, or newspaper advertisement, news articles, brochures, flyers, etc. Members may create their advertisement on paper or using some form of technology (computer program, edited video, etc.). Advertisements should contain a persuasive message and consider the target market. If members are advertising with social media (Facebook, Twitter, etc.), remind them of safe online practices. They should create a separate business account. Online posts are messages that will be accessible forever.

Promotions

Time Required: 30 minutes

Supplies:
- Pencil
- Paper
- Crayons
- Computer
- Printer
Directions:
Promotions are short-term efforts to promote a business. Members will prepare a sample coupon that they can use to as an incentive for customers to make purchases. Often customers will make larger purchases when they have a coupon.

After creating a coupon, members will identify two other promotions they can use in the future to draw new and returning customers to their business. Promotions may include free samples, trial purchases or services, different coupons, or special events.

**Dig it!**

Discuss the most effective advertising method for each business idea. Then, identify the promotional items that customers will respond most strongly to. Lastly, review how marketing choices relate to the target market.

**What’s next?**

Businesses need to know that they are making a profit while operating. Understanding the finances of a business is an essential skill practised in Skill Builder 7.
In the Member Manual

Skill Builder 6: Sales & Marketing

Addy Says...
Spread the word; let everyone in the community know about your new business. There are so many ways you can communicate with potential customers. Let your creativity shine as you present your new business.

SKILLS CHECKLIST
- Describe products and/or services
- Prepare advertising material
- Create and present promotions

Important Words
Watch for these important words throughout this Skill Builder:
Slogan, Logo, Advertisement, Promotion, Coupon

Dream it!

Slogan Sort
Match the following business names to their slogans. Slogans are an important part of marketing. Every time you think of the slogan, you think of the company.

- Wal-Mart
- Magic Kingdom (Walt Disney World)
- Nike
- Energizer
- McDonald’s
- KFC
- Coca Cola
- Skittles

Think of a slogan for your business.

Loose Change!
Think about the business name you selected in Skill Builder 2. Does it still reflect your overall business vision?

Addy’s Links...
Continue watching the Futurpreneur video (from 9:00) to learn more about branding businesses.
https://www.youtube.com/watch?v=LyZQyP7IrQY

Do it!

Logo
Create a logo for your business. You can choose to draw your own logo or use a computer program. Creativity is they key to this task. Consider the colours that will most appropriately represent your business and the logo features that will appeal to your audience. Include a copy of your logo in the space below.

Loose Change!
You may want to update your logo periodically. The 4-H Canada logo was revised in 2015.

Ask your mentor for logo and marketing ideas, too!

Addy’s Links...
Use a program, such as Logo Garden (http://www.logogarden.com/), to create an appealing logo for your business.
In the Member Manual

**Advertising**
Advertising takes many forms in the business world including television and internet advertisements, newspaper ads and articles, brochures, flyers, etc. An advertisement contains a persuasive message encouraging people to use your business. When you are preparing advertisements, think about the target market you are trying to reach with your efforts. Advertisements are ongoing efforts designed to increase sales. Create at least one form of advertisement for your business. If you choose to advertise on social media, follow safe online practices and create a separate business account.

**Promotions**
Promotions are short-term efforts to increase sales by offering immediate incentives. Some examples of promotions are free samples, coupons, trial purchases or services, and special events. Create a coupon that future customers can use at your business.

**Loose Change!**
Your advertisements and promotions should positively reflect the image of your company.

Name two other promotions you can use in the future to draw new and returning customers to your business.

**Dig it!**
What advertising method will be most effective?

Which promotional item will customers respond most strongly to?

How do your marketing choices relate to your target market?

**Loose Change!**
Nearly 34 billion dollars are spent annually on advertising in the auto industry around the world.

**What's next?**
You will need to keep track of your money when your business becomes busy. You will learn how to balance your accounts in the next Skill Builder.
Skill Builder 7: The Finances

Skills Checklist
- Calculate overall costs
- Identify sources of financial support
- Perform and explain a break even analysis

Dream it!

Background for Leaders

Running a business can be expensive. Business owners need to keep track of their finances closely. Start up costs are the expenses that are encountered before launching the business. These costs can include purchasing land or buildings, equipment, etc. There will be unexpected expenses that will arise as the business begins operating and as it grows.

Sometimes, start-up costs are so large that a single person or partners cannot afford to cover the costs using their own personal funds. The business will need to approach another source for financial support. Parents, family members, or friends may offer financial support. Remember to keep track of the funds that are owed. Financial institutions (banks or credit unions) can also be approached to get a loan. A loan is money that is lent to someone with the expectation that it will be repaid. When paying back a loan, a percentage of interest will be included in each payment. A mortgage is money that is lent to a client for the purchase of property and is repaid over as long as 30 years.

A business plan is a summary of all of the information about the business. A formal business plan will be required if a business owner is seeking financial assistance from a financial institution to start or expand their business. The business plan explains the business and its objectives to the financial institution or investor and helps to ensure that the business owner can be trusted to repay the funds. Business plans are discussed in further detail in Skill Builder 8.

Businesses need to keep track of their finances. Assets are valuable things held by the business including land, buildings, equipment, cash, etc. Liabilities are things that the business is responsible for such as money that is owed to the bank, other people, or the government. Other expenses are also liabilities. Depending on the business, GST and PST may need to be collected and submitted to the government. Owner’s Equity is the overall share that the owner holds in the business. Owner’s Equity is equal to the difference between assets and liabilities.
Important Words

Help members define the following words and listen for them using these words in their discussions. To increase the members’ understanding, try providing a synonym members know or provide examples. The more personalized the examples, the better.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan</td>
<td>A sum of borrowed money that is expected to be paid back with interest.</td>
</tr>
<tr>
<td>Mortgage</td>
<td>Money that is loaned for the purposes of purchasing property. Mortgages are paid back over as much as 30 years.</td>
</tr>
<tr>
<td>Break Even Analysis</td>
<td>A calculation to determine the point where revenue (earnings from sales) is equal to costs associated with sales such as production of the product and fixed expenses.</td>
</tr>
<tr>
<td>Assets</td>
<td>A useful or valuable thing held by the business.</td>
</tr>
<tr>
<td>Liabilities</td>
<td>A state of being responsible for something (such as owing a certain amount of money).</td>
</tr>
<tr>
<td>Owner’s Equity</td>
<td>The owner’s share of the assets of the business. Equal to Assets - Liabilities.</td>
</tr>
</tbody>
</table>

Age Considerations

- 15 +

Thinking Ahead

- What will you discuss with members? Gather observations and think of examples that will help support your decision.

Preparing for Success

- Linking back to the Skills Checklist, help members identify how they will know they have been successful in learning from this Skill Builder. Discuss what success in these activities might look like, sound like, or feel like.

Activating Strategies

To get members thinking about this topic, ask them the following questions:

- What will you need to pay for before you launch your business?
- How will you get the money to start your business?

Ask members to list their start-up expenses. These are things that they require to launch the business. Some example of start-up expenses include purchasing property, insurance, permits, licenses, equipment, etc.
Do it!

Financial Support

Time Required: 30 minutes

Supplies:
- Pen or pencil
- Transportation to a nearby financial institution

Directions:
Discuss ways that members can cover the costs of opening their business. Depending on the business, some members may have enough personal funds to cover the start-up costs. Start-up costs will vary depending on the type of business that is selected. A craft business may require a smaller investment than a retail store. Lawn care may involve rental of equipment rather than purchasing the necessary equipment outright. Sometimes, parents, family members, or friends will offer to assist with start-up costs until the business becomes profitable. Some entrepreneurs need to obtain a loan or mortgage from a financial institution.

Visit a financial institution with members to learn about financing options for small businesses. Many financial institutions offer small business accounts. It is recommended that entrepreneurs keep the business transactions separate from personal funds. Members should ask about options for business accounts. They should also ask about loans and mortgages and the documents they would be expected to prepare. If an entrepreneur is looking for a loan from a financial institution, they will need to provide a formal business plan (as outlined in Skill Builder 8) to explain the business objectives and goals and to prove that the business will be able to repay the loan with its profits.

Break Even Analysis

Time Required: 20 minutes

Supplies:
- Pencil
- Calculator

Directions:
Members must sell a minimum value of sales to cover their expenses before they begin earning a profit. The following equation calculates the break-even point for a business:

Break Even Point = Fixed Costs / (Selling Price - Variable Costs)

Members should calculate the break even point for their businesses.
Fixed costs are the sum of expenses such as rent, equipment payments, utilities, etc. The selling price is the price that customers will be expected to pay for items or services. The price of the items or services was identified in Skill Builder 5 (Operations). After completing this task, members may choose to re-evaluate their pricing. Variable costs are costs that vary with product processing. Variable costs only occur when products or services are being produced and sold. This calculation identifies how many items or services need to be sold before making a profit. The following example is a break even analysis for a lawn care business. The fixed costs will apply for this season and into the future. The business owner charges $25 per mow.
Fixed Costs:
- Lawn Mower: $200
- Rake: $15
- Trimmer Rental: $30 (for the season)
- Initial Supplies: $15
Total: $260

Variable Costs (These values are the costs associated with mowing a single lawn):
- Restock Supplies: $1
- Gas & Oil: $3
- Maintenance: $1
- Advertising: $0.50
Total: $5.50

Break Even Point = Fixed Costs/ (Selling Price-Variable Costs)
Break Even Point = $260/ ($25-$5.50)

$$=$$260 / $19.50

=$13.33$$

This means that the owner of this lawn care business will need to mow lawns 14 times this season to begin earning a profit.

Note: Variable costs for each lawn service offered must be less than the selling price, otherwise you will be losing money on every lawn mowing contract and will never be able to cover your fixed costs.

Ask members to explain whether or not they think they will make enough sales to surpass their calculated break even point. If they don’t think the sales number is achievable they should re-evaluate their plan.

**Balancing Act**

**Time Required:** 1 hour

**Supplies:**
- Pencil
- Calculator
- Spreadsheet program or printed chart

**Directions:**
Members will prepare financial records for their business. Bookkeeping is an ongoing process. To begin, members should have a record of their overall operating costs. They may need to account for advertising expenses, too. Based on research, ask members to calculate an anticipated number of customers and overall sales. The equipment, supplies, and building or land cost money but they are also worth something to the company and are classified as assets. These things could be sold for money if the business were to end operation. Expenses reduce the value of the company as liabilities. The Owner’s Equity is the value of the business. It is the difference between the assets (money worthy parts of the business) and the expenses or debts that make the business less valuable (liabilities). Remind members that it is important they keep close track of their finances. Their assets should be equal to their liabilities plus owner’s equity.
Members will know that they have used the correct values in their balance sheet if the value of total assets is equal to the value of total liabilities & owner’s equity. This means that their accounts balance.

Accrued expenses are expenses that a business has incurred but has not paid off yet.

Members will focus more on income in Skill Builder 8 as their business begins earning a profit.

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
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<tbody>
<tr>
<td>Current Assets</td>
<td>Current Liabilities</td>
</tr>
<tr>
<td>Cash $500</td>
<td>Accounts Payable $100</td>
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<tr>
<td>Accounts Receivable $200</td>
<td>Taxes Payable $50</td>
</tr>
<tr>
<td>Inventory $300</td>
<td>Accrued Expenses $50</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>Total Current Liabilities</strong></td>
</tr>
<tr>
<td>$1000</td>
<td>$200</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>Long-Term Liabilities</td>
</tr>
<tr>
<td>Long-Term Investments</td>
<td>Mortgage $0</td>
</tr>
<tr>
<td>Land $0</td>
<td>Loan $0</td>
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<tr>
<td>Building $0</td>
<td>Other $0</td>
</tr>
<tr>
<td>Equipment $250</td>
<td><strong>Total Long-Term Liabilities</strong></td>
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<tr>
<td><strong>Total Net Fixed Assets</strong></td>
<td>$0</td>
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<tr>
<td>$250</td>
<td><strong>Owner’s Equity</strong></td>
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<td></td>
<td>$1050</td>
</tr>
<tr>
<td>Total Assets</td>
<td>Total Liabilities &amp; Equity</td>
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<td>$1250</td>
<td>$1250</td>
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<tr>
<td>ASSETS</td>
<td>LIABILITIES</td>
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<td>Current Assets</td>
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<td>Building</td>
<td>Other</td>
</tr>
<tr>
<td>Equipment</td>
<td>Total Long-Term Liabilities</td>
</tr>
<tr>
<td><strong>Total Net Fixed Assets</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shareholders’ Equity</td>
</tr>
<tr>
<td>Total Assets</td>
<td>Total Liabilities &amp; Equity</td>
</tr>
</tbody>
</table>
**Dig it!**

Ask members to reflect on what they learned about the financial organization of a business by discussing these questions.

- If you are in need of money, how will you finance your business?
- Do you think you will be earning a profit as soon as you launch your business?
- What part of preparing financial statements is the most difficult?

**What’s next?**

Making sales and improving the businesses are the focus of Skill Builder 8.

**Leader’s Notes**
In the Member Manual

Skill Builder 7: The Finances

Addy Says...
Will your business be profitable? You will need to crunch the numbers to see how many sales you will need to make to earn a profit. Depending on your initial expenses, you may require some financial assistance.

SKILLS CHECKLIST
- Calculate overall costs
- Identify sources of financial support
- Perform and explain a break-even analysis

Important Words
Watch for these important words throughout this Skill Builder:
- Loan
- Mortgage
- Break Even Analysis
- Assets
- Liabilities
- Owner’s Equity

Dream it!
List all of the items that will be included as expenses as start-up costs. These are things that you must purchase before the business launch.

Do it!

Financial Support
Will you be able to cover the start-up costs with personal funds?
Where can you seek financial support?

Visit a financial institution to learn about financing options for small businesses. Some banks have special bank accounts for small businesses that will keep your business funds separate from your personal accounts. Even if you don’t require financing for this business venture, it is a good idea to learn about the application process and how you can prepare.

Addy’s Links...
Visit the website of your financial institution to become familiar with the account options they offer.

Break Even Analysis
A break-even analysis helps you determine how much you need to charge for each item that you sell to break even. This means you do not earn a profit, and you are not losing money. To calculate the break-even point, identify your fixed monthly or seasonal costs (these are the expenses you encounter even if you aren’t making any sales). Then determine the cost of your payment or purchase and sell each sale item (this is the variable cost). If you are selling multiple products for different prices, you may need to find a combination of sales that causes you to break-even.

Break Even Point = Fixed Costs / (Selling Price - Variable Costs)

What is your break even point?
Do you think you will have enough sales to exceed your break even point? Why or why not?

Loose Change!
Variable costs for each sale must be less than the selling price; otherwise, you will be losing money on every sale and will never be able to cover your fixed costs.

Balancing Act
Complete a balance sheet for your business as of now. As you are making sales, keep an organized record of income and expenses. Keep your receipts whenever you purchase supplies to help balance the books and for tax purposes. Continue preparing monthly balance sheets. A template and sample balance sheet including assets, liabilities, and owner’s equity are included in the Leader Guide. Your records should be completed as a separate document.

Calculate the value (Owner’s Equity) of the business.

Dig it!
If you are in need of money, how will you finance your business?

What part of preparing financial statements is the most difficult?

What’s next?
Skill Builder 8 shows your business in action. You will be busy operating the business and keeping track of the finances.
Skill Builder 8: Selling Time

Skills Checklist
- Present a sales pitch
- Start a business
- Produce and explain a financial plan

Dream it!

Background for Leaders

Members will have learned all about starting a business as an entrepreneur. Now it is time for them to focus on operating their business. While the business is operational, bookkeeping remains important. A new business will require a lot of promotion and advertising. Good business people keep records of changes they would like to make and areas of success.

In this Skill Builder, members have the option of preparing a formal business plan to present their learning. The necessity of a business plan varies depending on the volume of business being operated. The development of a business plan can be overwhelming. All of the essential parts of the business plan have been discussed in previous Skill Builders. Members will need to gather the information so that it is summarized in one place. Developing a business plan is especially important if the business owner plans to obtain financial support from a financial institution. The business plan provides the supporting business objectives and financial information to prove to the investor that the borrowed funds can be repaid.

Important Words

Help members define the following words and listen for them using these words in their discussions. To increase the members' understanding, try providing a synonym members know or provide examples. The more personalized the examples, the better.

<table>
<thead>
<tr>
<th>Trade Show</th>
<th>An exhibition where businesses in a particular industry promote their products and services.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Pitch</td>
<td>Statements and arguments used by someone trying to sell something.</td>
</tr>
<tr>
<td>Revenue</td>
<td>The amount of money that is brought into a company by its business activities.</td>
</tr>
</tbody>
</table>

Age Considerations
- 15 +

Thinking Ahead
- What will you discuss with members? Gather observations and think of examples that will help support your decision.
Preparing for Success

- Linking back to the Skills Checklist, help members identify how they will know they have been successful in learning from this Skill Builder. Discuss what success in these activities might look like, sound like, or feel like.

Activating Strategies

To get members thinking about this topic, ask them the following questions:

- Are you ready to make lots of sales?
- How will you present your business to the community?
- Do you have all of your financial information organized?

Do it!

Presentation Time

Time Required: 1 hour

Supplies: (will vary based on the type of presentation selected)
- Business sign
- Product samples or photos of services
- Promotional materials

Directions:
Members will present their business to the public. Enthusiasm in their business will help them make more sales and develop lasting customers. This activity will take many forms and may become part of their Showcase Challenge to be presented at Achievement.

Trade shows are a popular way of gaining interest and showcasing products against competitors. If members are developing a trade show booth they will need a large sign for their business, informational and promotional materials, samples, and something to bring visitors to their booth such as a prize draw or sample.

Members may choose to develop a presentation or video to inform others of their business. Other members could develop a sales pitch similar to popular television shows where entrepreneurs are asking for support of their business.

Launch It (optional/dependent on member launching business during 4-H year)

Time Required: ongoing with business operation

Supplies:
- Materials required for business operation (varying from member to member)

Directions:
Members will launch and operate their business. Members may need to take some time to gather all of their resources prior to launching. As the business is operational, members should keep a record of the number of sales and the revenues that are generated. They may notice some trends in products or services that are most popular or the days of the week that are busier.

The launching of the business will take many different forms. For example, a lawn care business will begin offering its services and building its clientele. A craft business will book tables at craft shows and produce enough inventory to support its sales.

Members should include a photo of themselves operating their businesses.
Cash Flow

**Time Required:** ongoing with business operations

**Supplies:**
- Pencil
- Calculator
- Spreadsheet computer program

**Directions:**
The business will be generating revenue as it is operating. Members will create a spreadsheet to keep track of their cash flow. They should include their incoming cash from sales and receipts from their expenses. An example of a statement of cash flow is included.

Next, members should prepare an income statement representing their income and expenses. An example of an income statement follows.

Members should try to complete these documents on a computer so that there is a continuous flow of financial information for their business.

### Statement of Cash Flow

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Income</th>
<th>Expenses</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1</td>
<td>Opening Balance</td>
<td>$200</td>
<td></td>
<td>$200</td>
</tr>
<tr>
<td>March 3</td>
<td>Mowed J. Doe’s lawn</td>
<td>$25</td>
<td>$225</td>
<td>$225</td>
</tr>
<tr>
<td>March 4</td>
<td>Mowed R. Smith’s lawn</td>
<td>$25</td>
<td>$250</td>
<td>$250</td>
</tr>
<tr>
<td>March 6</td>
<td>Purchased gasoline</td>
<td></td>
<td>$20</td>
<td>$230</td>
</tr>
<tr>
<td>March 8</td>
<td>Mowed L. Robert’s lawn</td>
<td>$25</td>
<td>$255</td>
<td>$255</td>
</tr>
<tr>
<td>March 8</td>
<td>Mowed H. Smith’s lawn</td>
<td>$25</td>
<td>$280</td>
<td>$280</td>
</tr>
</tbody>
</table>

### Income Statement

<table>
<thead>
<tr>
<th>Revenue</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$800</td>
</tr>
</tbody>
</table>

**Gross Profit** $800

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>$75</td>
</tr>
<tr>
<td>Supplies</td>
<td>$30</td>
</tr>
<tr>
<td>Trimmer Rent</td>
<td>$3</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$50</td>
</tr>
<tr>
<td>Advertising</td>
<td>$25</td>
</tr>
</tbody>
</table>

**Total Expenses** $183

**Net Income** $617

Net income is calculated by: Gross Profit—Total Expenses
Business Plan (optional)

A business plan is formal documentation that is required by financial institutions or investors before they will provide financial support for a business. Some businesses are small enough that the finances can be handled by the business owner. In this case, a business plan is not essential but it helps give the business a clear objective and organizes the marketing and financial aspects of owning and operating the business. Larger businesses must have a business plan outlining the company profile, markets, sales, operations, and their financial outlook. This activity will be of greater importance to some members. The length of the business plan varies with the complexity of the business. Throughout the project, most of the information for the business plan has been collected. This task will help organize it.

Time Required: 2+ hours

Supplies:
- Computer and printer access
- Materials and figures from previous Skill Builders

Directions:
A formal business plan should be typed and presented in an organized manner. A business plan will contain the following information:
- Business Name and Logo, Business Type (Sole Proprietorship, Partnership, Corporation), Owner and Business Contact Information
- Executive Summary (Very briefly describe what the business offers and how it will be successful.)
- Target Market (who, how many customers, competition, how this business is different)
- Marketing Strategies (promotion, advertising, pricing)
- Operations (hours, human resources, insurance, licenses, etc.)
- Financial Information (Start-up Costs, Operating Costs, Funding, Break-even Analysis, Financial Ratios, Cash Flow Statements, Income Statements, Balance Sheets, etc.)

A business plan is a constantly evolving document. The business plan will need to be revised as the business changes. More information about writing a business plan can be found on the Canada Business Network webpage at http://www.canadabusiness.ca/eng/page/2753/.

Dig it!

Ask members to reflect on the process of developing as an entrepreneur by responding to the following questions.
- How successful was your business launch?
- How accurate were your projections?
- What feedback have your customers offered?
- In what areas will you work to improve your business?

What’s next?
Congratulations! You have completed all of the Skill Builders in Mastering Starting a Business. Members will now begin working on the Showcase Challenge. Have a great Achievement. The members could not have done it without you.
In the Member Manual

Skill Builder 8: Selling Time

Addy Says...
You are ready for business! Keep track of how your business is performing and make the necessary changes to maximize your profits. Good luck!

SKILLS CHECKLIST
- Present a sales pitch
- Start a business
- Produce and explain a business plan

Important Words
Watch for these important words throughout this Skill Builder:
Trade Show, Sales Pitch, Revenue

Dream it!
Name three things you want customers to remember about your business.

1. 
2. 
3. 

Do it!
Presentation Time
You will present your business to the public in different ways depending on the type of business you have developed. Prepare a trade show booth, sales pitch, or other form of presentation to present your business to others. You may choose to showcase your business idea in another way. This presentation could become your 4-H speech or you could display it at your achievement! Represent your plan in the space below.

Addy’s Links...
Watch sales pitches on Dragon’s Den to learn what works and what not to do.
http://www.cbc.ca/dragonsden/episodes/

Launch it (optional - complete this activity if you launch your business during the 4-H year)
Enter the market. Have enough resources to exceed your projected sales numbers. Try to gain as many customers as possible. Make sure that customers want to return to your business and that you are treating customers fairly. Include a photo of you operating your business as a new entrepreneur in the community.

Keep a record of your sales (numbers and revenues) in the space below.
Do you notice any patterns in your sales?

Addy Says...
Do the customers that are visiting your business and making purchases match the target market you identified in Skill Builder 2?

Your mentor will be invaluable as you launch and work to
In the Member Manual

Cash Flow

The busier you are, the more revenue you will be generating. You will also have more expenses. Remember to keep a close eye on your finances. Keep all of your receipts. Create a spreadsheet to keep track of your cash flow. Then prepare an income statement for your business for the first month of operation. Continue these practices each month as an entrepreneur.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Income</th>
<th>Expenses</th>
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</tbody>
</table>

Business Plan (optional)

Although optional for some entrepreneurs, a formal, typed business plan is essential if you will be looking to borrow money from a financial institution. Throughout the previous Skill Builders, you have acquired all of the information you will need to prepare a business plan. The Leader Guide includes more specific instructions for compiling this into a single document.

Dig it!

- How successful was your business launch?
- How accurate were your projections?
- What feedback have your customers offered?
- In what areas will you work to improve your business?

What's next?

Now that you have finished all the Skill Builders in this project, it is time to think about and plan for the Showcase Challenge. The Portfolio Page is where you can make sure your Mastering Starting a Business Project Skill Chart is complete. There will also be space for you to write down some thoughts and reflections on the project (what you liked and didn’t like, etc.)
Showcase Challenge

Have members use their Member Manual to help them organize what they have learned in this project. The form of the Showcase Challenge can vary according to the wishes of the leaders and the members' abilities. Information could be presented in many forms, some of which are: posters, pamphlets, written reports, speeches, computer presentations, displays, etc. Suggestions are listed on the Showcase Challenge page at the back of the Member Manual. The best results are almost always obtained when members are allowed to present their information in the style of their choice.
Do It!
Insert or attach your finished product or a photo of you sharing your skills in your Showcase Challenge.

Dig It!
Now that you have showcased your project skills:
- How did your Showcase Challenge go?
- What would you do differently next time?
- How will you use your new skills in the future? (in different situations?)
**Portfolio Page**

Once members have completed all the builders they will have a lot of information recorded in their manuals. These are products of their learning. As a final exercise in the project, members and leaders will pull together all this learning in completing the Portfolio Page in the Member Manual. There is a skills chart that lists the skills members are expected to complete by the end of the project. Members and leaders must indicate how they know the member was successful at a particular skill. Leaders will find evidence if they think about what they have observed members doing, what discussions they have had with members, and what members have produced. If leaders think that members need to go back and improve on any skill, this chart helps them clarify what needs to be done.

**In the Member Manual**

**My 4-H Portfolio Page**

<table>
<thead>
<tr>
<th>Date</th>
<th>Year in 4-H</th>
<th>Hours Spent on 4-H</th>
<th>Current Project (4-H)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

**Mastering Starting a Business**

<table>
<thead>
<tr>
<th>Skill Builder</th>
<th>Members will be able to</th>
<th>We know this because</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 1                                      |                         |                      |
| 2                                      |                         |                      |
| 3                                      |                         |                      |
| 4                                      |                         |                      |
| 5                                      |                         |                      |
| 6                                      |                         |                      |
| 7                                      |                         |                      |

**Additional Community/Activities**

<table>
<thead>
<tr>
<th>Show and Tell</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Leader's Signature**

I acknowledge that the member has completed the 4-H project requirements.

I am most impressed by...

Leaders' Comments:

- Identify skills the member has demonstrated.
- Provide specific examples of the member's achievements.
- Highlight areas for improvement or further development.

*Note: This form is part of the member manual and is intended for use in documenting the progress and achievements of members in the 4-H project.*
In the Member Manual

Above and Beyond!

In addition to project skills, 4-H also increases skills in meeting management, communications, leadership, community involvement through participation in club, area, or provincial 4-H events or activities. List below any activities you participated in this year in 4-H.

(Some examples include Executive Positions Held, Workshops, Communication, Community Service, Rally, Bonspeils, Conferences, Judging, Camps Trips, Awards, Representation to Area or Provincial Councils, etc)

______________________________
______________________________
______________________________
______________________________
______________________________

***Feel free to add additional pages that include awards, certificates, new clippings, photos or other items that describe your 4-H involvement.

Member Point of Pride!

What I learned...

What I need to improve on...

What I want others to notice...

Member’s Signature: ___________________________

Point of Praise! Another’s perspective on your achievements in 4-H.

(community professionals, 4-H club head leaders, friends of 4-H)

I am most impressed by...

I believe that you have learned...

In the future I encourage you to...

Signature: __________________________
4-H Achievement

4-H Achievement is... a 4-H club celebration when members have completed their projects. Achievements are planned by the club to give recognition to members and leaders for their accomplishments in their 4-H projects and club activities.

A 4-H Achievement can take many different formats: from choosing a theme, to member project displays, to members using their new skills for the event (entertainment, food, decorating, photographer, etc.), to members presenting their project to the whole group, the options are endless and open to the creativity of the members and leaders in each club!

Clubs may also plan their Achievement to promote 4-H to the community or to recognize sponsors and others who have helped the club.

Members and leaders - be sure to check your project books for the project completion requirements, so you will be ready for your club’s Achievement celebration!

If you have any questions, comments or suggestions for this or other 4-H projects contact:

Manitoba 4-H Projects
Manitoba Agriculture
1129 Queens Avenue
Brandon, MB R7A 1L9

Email: 4h@gov.mb.ca
Phone: 204-726-6613
Fax: 204-726-6260

This manual is for educational use only and is not intended as professional advice.

For more information about 4-H and the many 4-H opportunities available please visit

http://www.gov.mb.ca/agriculture/4-h/
What is 4-H?

4-H is an international youth organization involving more than 7 million members in 80 countries around the world.

In Canada, 4-H began in 1913 in Roland, Manitoba as a community-based organization dedicated to growth and development of rural youth. Today’s 4-H program reaches both farm and non-farm youth across Canada. The motto of “Learn to Do by Doing” is embodied in the program, as 4-H focuses on skill development as well as personal development of life skills such as communications, leadership and citizenship.

4-H Motto

“Learn To Do by Doing”

4-H Pledge

I pledge,
My HEAD to clearer thinking,
My HEART to greater loyalty,
My HANDS to larger service,
My HEALTH to better living,
For my club, my community, and my country.

All project materials are available in alternate format upon request.

Manitoba 4-H project material is developed by
Manitoba Agriculture