

Stockwell Park High School

Seed Capital Project



Key Stage 3 and 4 Enterprise Project

Introduction: Starting a Business

This project involves planning how to start up your own business. You will each be given a loan of £10 (Stockwell Park High School 'seed capital') to set up and run your business in small groups. The business will launch on 14th July 2008 and run for one week.

Any profit that your group makes will be yours to keep.

You will be doing your own market research to find out if anyone would be interested in your business idea and if there is much competition in the area. You will need to work out the costs involved to buy stock, equipment, adverts (e.g. posters, leaflets etc) and any other resources. Your idea must be unique and different to the other groups.

The aim of the project is to introduce young people to the world of small businesses, and to help them understand how to plan, research and implement the start up of a small business. The exercise will also enable KS4 pupils to complete Unit 10 of the BTEC First Diploma in Business, but it will also be very relevant to other qualifications such as the GCSE Business Studies. The assessment criteria have been mapped to the document where applicable.

Remember good planning is key to a successful start up. If you do not plan, you can be certain that your business will be poorly run and will most probably fail.

Social Enterprise

As a whole school, we will give 10% of all profits to a charitable cause, which will help the local community.

Which charitable cause would your group like to support?

2) Discuss and decide which two business ideas are the best. Complete the following table with the advantages and disadvantages of the best two idea and your reasons for deciding on one.

Business Idea 1:

Advantages	Disadvantages

Business Idea 2:

Advantages	Disadvantages

3) Your group must now agree on the business idea you are going ahead with.

4) The name of a business often becomes their brand. People identify different products by a name and will often only buy certain goods because they recognise and trust the name e.g. McDonald’s, Gucci, VW and Sony.

Decide upon a unique and catchy name for your business, and explain why you chose it. Write a report giving more details about your business.

Name of Business:

5) Present your final idea to the class. This will be in the form of a SWOT analysis and include your unique selling point.

INTERNAL	Strengths	Weaknesses
EXTERNAL	Opportunities	Threats

6) Now you need to **develop** your business idea. Complete the table below giving answers to each of the following questions:

Questions	Answers
What type of business are you setting up? (e.g. New, purchasing an existing business, buying a franchise, sole trader or partnership)	
What are the aims of your business? Do you have a Mission statement? If so what is it?	
What are your SMART objectives?	
How will you balance your personal needs (as a full-time student) with the needs / demands of your business?	
Are there any environmental issues affecting your business? How will you make sure your business is environmentally friendly?	
What location have you chosen and why?	
Have you done any work on costing?	
What are the sales forecast for this market is it growing or in decline?	

7) In this task your group will be producing MS PowerPoint slides to present your business idea to the class. The presentation should also include a summary the information you produced for question 6. Your teacher will approve and sign off your project based on this presentation. You will not receive your seed capital until you have completed your presentation.

Sign Off Sheet

Complete the names of the pupils in you group hand it to your teacher.

Business Name:

Enter the names of each pupil in your group below:

Pupils' Names			£10 Seed Capital Issued?	
<i>To be completed by pupils</i>			<i>To be completed by your business teacher</i>	
First Name	Surname	Pupil's Signature	Yes/No	Date
Total Seed Capital Issued			£	

This section to be completed by your business teacher

Presentation on initial business idea completed?

Yes

No

Project Approved?

Yes

No

Teacher's Comments:

.....

Teacher's Signature:

Dated: / / 20__

Task 2: Identifying Target Market

In this section, you are going to identify who your potential customers are using primary and secondary research methods to find out about the market. (Unit 10, P2MI)

- 1) Who is your target market? (i.e. who do you expect to buy your product?)
- 2) In this task you will be creating a questionnaire. It should be no longer than two A4 pages long. Include questions to find out:
 - ✂ Is there enough demand for your product/service?
 - ✂ Who would be interested in buying your products/services (e.g. males/females, teenagers/adults, high/low income earners?)
 - ✂ Where does your target market currently buy similar items?
 - ✂ What kind of price should you charge for your items?
 - ✂ What is the best way to get the items to the customers? E.g. shop, internet, market stall, order by phone?
- 3) Ask your teacher to produce 10 copies of your completed questionnaire and ask people to complete one for you. Be sure you ask a mixture of people of different ages, gender and background (not just your friends in school).
- 4) Collate and analyse the results of your questionnaires using an MS Excel spreadsheet. Include graphs to display the results for each question.
- 5) Write a report in MS Word explaining the results of your questionnaires and copy and paste the graphs you created from the previous task.
- 6) Decide which methods of promotion you intend to use. Your advert should include the following criteria:
 - ✂ Your business name clearly marked
 - ✂ What the product/service is (with pictures)
 - ✂ The prices you intend to charge, including any special offers
 - ✂ Contact details

The school will provide you with promotional materials available at the following prices:

Method of Promotion	Size	Cost
Full Colour Poster	A3 size	£2 per poster
	A4 size	£1 per poster
Flyers	A5 size	50 for £2
Advertisement on SPHS Intranet	-	£5 per week
Staff Bulletin (goes out to ALL staff)		£2 per week
Assembly Announcement	Key Stage	£2.50
	House	£1 per House

You would be advised to set yourself a budget for promotion and stick to it!

Task 3: Identifying the Skills Needed to Run a Business

In this section you need to identify the skills needed to run a business successfully. Determine which of these skills you have and those that you need to develop. ([Unit 10 P3, M2](#))

1. Find out about **two** successful entrepreneurs. Write a short profile on each (including a picture of the entrepreneur, if possible). Describe the specific skills you think they have which directly contributed to their success.
2. Complete the skills analysis quiz individually. (See Appendix).
3. Compare the skills analysis charts of every one in the group. Identify the main skills you have **as a group** and those you need to develop in order to make your business successful.
4. Research and create a presentation to describe the different sources of professional help and training that are available to young people in the London area who wish to set up their own business or develop particular work related skills.

Task 4: How to Manage your Business Finances

You have been 'loaned' £10 as an individual, but more if you are a group of pupils working together. This is your **start up capital**. **Your task now is to use your start up capital to make money.**

Working out Costs

Any money you spend to buy stock, pay for advertising or anything else is called a '**business cost**'. Like all businesses, you need to keep track of your business costs in order to control your spending and make a profit.

Copy this template into MS Excel and use it to record all your costs.

What did you buy?		How much did it cost?
One off costs	Continuous costs	£
Total Costs		£

Working out your revenue

The money you make from your sales is called **sales revenue** or **income**.

At the end of each trading day you must calculate your revenue using the formula:

$$\text{Revenue} = \text{selling price (per item)} \times \text{number of items sold}$$

You can use the template below to record your sales each day.

Trading Days	Number of item 1 sold	Selling Price for item 1	Total Revenue for item 1
Day 1			
Day 2			
Day 3			
Day 4			
Day 5			
Total Revenue			£

Please note: If you are selling more than one item you can work this out separately or design your own template to record revenue:

Working out your profit

You can calculate your profit at the end of each day by using the formula:

$$\text{Profit} = \text{Total revenue} - \text{Total costs}$$

Task 5: Legal and Financial Issues Affecting Start Up Business.

In this section you will be describing the legislation that affects small businesses starting up and the financial requirements and issues that small businesses must understand. ([Unit 10 P4, M3](#))

1) You work for the Brixton Business advice centre. Prepare a booklet to support new businesses. You must cover the following legal and financial aspects of new business start up.

- a) What are the legal differences between the following types of businesses: Sole Trader, Partnership, Limited Company, Franchise, Co-operative
- b) What specific legislation governs each type of business? E.g. Health and Safety
- c) Define Tax and VAT. What is HM Revenues and Customs and how can they affect your business
- d) What kinds of insurance are needed for a small business?
- e) What is a license, which businesses need one, and how do you get one?
- f) What are National/ Local laws and bylaws
- g) What is 'Planning Permission' who needs it and how do you get it?
- h) What are contracts, what can happen if you 'breach' a contract?
- i) What is Environmental health about
- j) Trading standards, what is it and what do you need to know about it?
- k) How can good record keeping help you to operate within the law?

2) Explain in detail, which of the above issues are relevant to your business and how they can affect the start up of your new business.

Task 6: Producing an Outline Business Plan

In this section you are required to produce an outline plan for starting your new business following a acceptable business model. (Unit 10 P5 D1)

- 1) Produce an outline business plan. Choose from the **Young Enterprise** or **NFTE** models or select a model of your own choice.
- 2) Present a comprehensive business plan that addresses all relevant aspects of business start up.

Appendix One

Skills Analysis Quiz

When making decision about your future you need to take into account what you are good at and the things you like doing.

1) Read the following statements. Then individually give yourself a mark between 0 (for no interest/ no ability) and 6 (for high interest/excellent ability). When you have completed the quiz follow the instructions on the next sheet:

I enjoy/I am good at.....

Statement	Type	Score	Statement	Type	Score
Solving Problems	E		Growing plants	T	
Using my initiative	E		Being independent	E	
Being Patient	P		Negotiating	C	
Working alone	O		Creative writing	A	
Concentrating	O		Being respectful	P	
Working in a team	P		Cooking	T	
Following instructions	C		Researching information	E	
Sticking with a task	O		Word processing	I	
Helping other people	H		Using spreadsheets	I	
Leading other people	E		Computer graphics	I	
Using Words	C		Designing colour schemes	A	
Talking to others	C		Solving number problems	N	
Listening	P		Styling my hair	T	
Playing a musical instrument	A		Keeping to the rules	O	
Mending Things	T		Helping out at home	H	
Meeting Deadlines	O		Using Maths	N	
Being sensitive	P		Caring for disabled people	H	
Having a sense of humour	C		First Aid	H	
Being accurate	N		Measuring things	N	
Coming up with new ideas	E		Helping friends with their problems	H	
Looking after children	H		Selling and promoting	E	
Caring for old people	H		Estimating costs and amounts	N	
Planning	O		Comforting others when they are upset	H	
Being on time	O		Computer programming	I	
Being polite	P		Sport	T	
Getting on with others	P		Making up new recipes	A	
Being reliable and trustworthy	P		Using the Internet	I	
Using my imagination	E		Designing things	A	
Drawing or painting	A		Playing computer games	I	
Using graphs	N		Understanding how things work	T	
Making things	T		Photography and video	A	
Sculpting	A		Assembling IT equipment	I	
Using languages	C		Using IT for my work	I	
Using figures	N				
Working under pressure	O				
Managing money	N				
Using my physical strengths	T				
Expressing myself	C				

Source: Adapted from *Persuading Others Connexions* booklet

2) You now need to add up your total scores for each 'Type' on the grid below:

Type	Skill Types	Total Score
P	People <i>This is about the way you work and get on with others</i>	
T	Technical/Practical <i>This is about how you complete practical tasks and using tools and equipment</i>	
H	Helping Others <i>This about how much you like helping others e.g. friends, family or community.</i>	
I	Information Technology <i>This is about your interest in IT and your ability to use it</i>	
C	Communication <i>This is about how well you use written and verbal communication</i>	
A	Artistic <i>This is about how much you enjoy being creative and/or using different forms of art media</i>	
N	Numbers <i>This is about how much you enjoy working with numbers and calculations</i>	
O	Organisation <i>This is about how you organise and plan for things, keep deadlines and punctuality</i>	
E	Enterprising <i>This is about how you are able to come up with new ideas and put ideas into action</i>	

Finally plot the results onto a chart similar to the one below using MS Excel



