

Schools' Enterprise Education Network

Resource Kit



NFTE provides teachers with a comprehensive curriculum, training and support package to enable them to deliver a quality Enterprise Education programme for KS4 students and beyond. Under the teachers' guidance, students set up and run their own real businesses within the school or local community:

- A 50 - 90* hour course embedded in the curriculum
- Full or "lite" programmes flexibly adapted to suit school needs and to suit different ability levels
- A full, off-site, teacher training programme with NFTE Teacher accreditation
- Comprehensive lessons plans, support materials and one-to-one help
- Student accreditation through BTEC 'Preparing for Enterprise' [NQF Level 2*]
- Student motivation encouraged through experiential learning
- Regular regional competitions, events and prizes to help sustain interest and momentum
- Fully QCA / Ofsted Work-Related Learning and Enterprise Education compliant
- Student and Teacher peer group interaction

NFTE is an International non-profit organisation. It was founded in 1987 in the USA and, since its inception, has reached over 96,000 young people and certified over 2,000 teachers in fourteen different countries. NFTE-UK was established in 2000 to empower young people in the UK by teaching them the basics of practical business start-ups and the principles of entrepreneurship.

Visit our website www.nfte.org.uk or contact us at info@nfte.org.uk
If you need to talk through NFTE's role in your Work-Related Learning and Enterprise Education programmes call Andrew on 07775 520 643



THE TIMES 100

Case Study – NFTE

The importance of entrepreneurship in small businesses

Introduction

Many of today's large and successful businesses actually started out as small concerns. NFTE stands for the Network for Teaching Entrepreneurship, an international organisation that introduces young people to the idea of being an entrepreneur. This is done by involving them in practical business situations.

Small businesses

Enterprise is about people who are willing to take risks. Entrepreneurs are self-motivated and keen to stay ahead of competition. Large businesses often have to start life as one person or small group operations. For instance, Heinz started by himself with a single product. Small businesses are also vital in meeting local needs, such as those providing personal services (e.g. hairdressing) and those providing business services (e.g. headed paper). The majority of UK businesses are small, with two-thirds sole traders. Over 2.5 million UK workers are self-employed, so this is an important sector for the economy.

Small businesses survive for several reasons including the ability to:

- build personal relationships with customers and other stakeholders;
- respond flexibly to problems and challenges, being able to make quick decisions.
- be innovative, bringing out new products.
- keep overheads low, operating from smaller premises with fewer demands.
- cater for niche markets, such as specialist services.

Challenges

Small businesses also face challenges. Many require long hours and may carry a high risk of failure. Also they are unlikely to benefit from economies of scale. Small business enterprises need to be planned carefully, both for the owner, and for the benefit of other stakeholders – banks, for instance. NFTE can help by showing young people how to put together a business plan.

Ownership

Most small businesses are sole traders or partnerships. Sole traders make all the decisions and take all the profits. However, they have to work hard and are also responsible for any losses. A partnership helps share the workload and make use of different expertise but profits and decision-making are shared. A private company may also be formed, limiting the responsibility for debt (limited liability). There are strict rules, however, when setting up a company.

Finance

A new business needs money to get started, called 'start-up' costs. It also has to pay to keep the business going, e.g. rent, stock, wages, power. This usually comes from the owner's own funds or borrowing from a bank. They may also use trade credit and rental agreements. Entrepreneurs need to make sure that they can afford to pay interest, or the debt itself, when it is needed. This usually comes from profits. Gross profit is sales revenue (sales times price) minus the cost of stock, or of making products (called 'cost of sales'). Net profit is gross profit minus the costs of running the business (operating costs).

Conclusion

Being enterprising means taking responsibility, working hard and being ambitious. The NFTE helps develop these qualities in young people.



About NFTE

The Network for Teaching Entrepreneurship (NFTE) has become one of the main entrepreneurship education organisations in the UK over the last few years. NFTE's aim is to empower young people, in and out of the school environment, by teaching them the basics of starting and operating their own businesses and introducing them to the principles of entrepreneurship through the specialised NFTE curriculum. Its unique feature is its well researched and internationally validated teacher-training programme, which is accompanied by a substantial library of resources for teachers and students.

The Teacher Guide

The 12 modules each support the teaching of different elements of the NFTE programme on how to start and run a small business. Each module covers approximately 3-4 hours of teaching time and presents ideas, information and activities for teachers to use with students. Teachers should adapt and shape the materials for their own use to fit the time available. The modules have been written for key stage 4 students but some of the materials can be adapted and used with a wider age range of students. The programme contains activities and learning opportunities which you may wish to use to support and develop enterprise education learning across a range of students and across a range of curriculum subjects.

The format for each module includes:

1. Objectives for the Module - indicates what the module covers and the purpose of the teaching.
2. Key Words in the module - a list of words is given which are referred to or introduced in the module. Students should understand the importance of the meaning of these words. A glossary of words is provided in the appendices.

These can be copied and given to students to place in their work files.

3. Focus Points – a selection of activities and learning approaches addressing different topics. It is up to the teacher to decide what is to be done when. These focus points give suggestions on how the work may be introduced and covered in class. They promote active learning with the teacher often taking on the role of facilitator.
4. Extension Activities – a range of assignments that can be undertaken by more able students working at a faster pace or all students if sufficient time is available.
5. Check the learning – a list of outcomes related to the objectives for the module and the key words. Debriefing should be used to test students understanding of the work completed in the module and how they have benefited from it. The key skill ‘Improving Own Learning and Performance’ is an important element of the NFTE programme.
6. References to Student Business Plan Folder – The Student Business Plan Folder is a student resource available from NFTE which can be used in conjunction with many of the activities in the guide. It also provides a framework for their business plan and portfolio of evidence.

Appendices

1. **Glossary**
2. **Games and Activities**
3. **Presentation Tips**
4. **Business Plan**
5. **End of Course Review**

The guide has been written with the school curriculum in mind and the work in the NFTE entrepreneurship programme can be used to support and illustrate student learning particularly in key stage 4. Sample schemes of work including curriculum mapping can be obtained from NFTE.

Resources and websites

Texts written for GCSE courses, Citizenship, Key Skills and Work-Related Learning have significant content which can support the NFTE course. Schools may wish to use them to support the teaching and learning of this programme.

Module 6

Developing a Business Idea

Objectives

- Understand how to define a unit of sale for business
- Understand how to set a selling price and calculate gross profit per unit
- Define goals and targets for your business
- Discuss the impact of quality on the success of your business

Key Questions

- What are the costs and profit of selling one unit?
- How do I make sure my product/service is the best it can be?



NFTE Resources	Other Resources
<p>Textbook chapters (10th Edition):</p> <ul style="list-style-type: none">• The Building Block of Business• Competitive Strategy• Quality• Technology <p>Student Business Plan Folder: module 6</p> <p>Slides: module 6</p> <p>Entrepreneurs in Profile Chapter: 2, 4, 7</p> <p>BizTech Unit: 11, 16</p>	

Key words in this section

Unit of sale, cost of one unit, selling price, gross profit per unit, competitive advantage, customer profile, sales target

Introduction

This is an important module as it lays foundations for business finance and helps students to define what they are selling, what their unique selling point is and how to set a profitable price.

Focus: Unit of sale

Recap on the definitions of the four types of businesses in module two (Retail, wholesale, manufacturing and service businesses).

In pairs or as a group, ask students to think of two local companies in each of the four types of business. Ask them to write down what each company sells and next to it how many 'units' of their product or service they estimate the company sells in one day or one hour (i.e. a pair of trainers, a cup of coffee, a bunch of flowers, a ride in a cab).

Which companies were easy to define a unit of sale for? Which were harder? How might a restaurant define a unit of sale? A record shop? A hotel?

Taking some of the students' examples, demonstrate how each business type might differently define a 'unit of sale'.

Show Slide: 'Defining a unit of sale' (see Summary of Resources)

Ask students to define a unit of sale for their own business idea.

Student Business Plan Folder: Unit of sale

Focus: Unit cost

Give students a list of bulk prices and ask them to work out the unit costs for a product by dividing the bulk price by the number of units. (You could take them to a local wholesaler if possible).

(See also beaded necklace example in **NFTE Business Plan Folder**) (see Summary of Resources)

Focus: Selling price and gross profit

Introduce students to the concept of '**buy low, sell high**'. In other words, whatever their unit cost came to they will need to sell each unit at a higher price than the cost of producing the unit.

Some businesses simply double the unit cost to give a selling price. This simple method of price setting is called '**Keystoning**'.

Explain that the difference between the two (unit cost and unit selling price) is called **gross profit per unit** or 'mark up'.

Show Slide: 'Gross profit per unit' (see Summary of Resources)

Ask students to consider what selling price they might set for their own product or service? What would happen if they made the price double the unit cost? (Keystoning) They may want to consider their market research findings at this stage to find out what their potential customers were willing to pay for their product or service.

Student business plan folder: Selling price of one unit (see Summary of Resources)

Focus: Exploring quality

Ask students to give their experience of some of the following scenarios:

- A time when a product you purchased broke or did not live up to expectations
- A time when you felt you were treated unfairly.

(What did you feel, what did you think, what did you do?)

Ask students to name some brands that they feel are high quality e.g. pizzas, clothes, computers, mobile phones, cars. In what ways are these products quality?

Discuss and consider how important quality is and why? This may not just be in regard to the product, but also the customer service. How does this impact on their business reputation and potential for growth and expansion?

Ask students to think about what customers would be looking for in the product or service their business provides? How would quality be measured?

Show slide: 'Eight guides to improved quality' (see Summary of Resources)

Focus: Goal setting

Why do you have goals in sport? What would happen if you tried to play football with no goal posts, or tried to play basketball without a net?

The same principles relate to business – you need to know where and what you are supposed to be aiming at. If you don't define the goals it is hard to know which direction you should be taking when making business decisions.

A popular framework for setting goals is **SMART**:

S pecific	Define exactly what you want to accomplish.
M easurable	How can you measure your progress and show whether you reached your goal. (Cost, quantity, quality, number, percentage).
A chievable	Do you have the resources, training, experience, assistance you need to achieve the goal?
R ealistic	Are there any other factors that could prevent you from meeting your goal? How likely are you to achieve your goal?
T imed	Set a deadline, where are you now in relation to the goal, how long will you need to reach your goal?

“An average person with average talents and ambition and average education can outstrip the most brilliant genius in our society if that person has clear focused goals.” Brian Tracey

Ask students to list goals for:

- Their personal life
- Their education
- Their business (in particular their sales target).

Definition sales target: The target number of units to be sold over a period of time (such as one month).

Student Business Plan Folder: Goal setting and Sales Target (see Summary of Resources)

Check the Learning

By the end of this module, students should have completed all of module 1 in the **Student Business Plan Folder**. Students should be able to:

- Define a unit of sale for your business and set a selling price
- Calculate gross profit per unit for your business
- State sales targets you expect to reach over a period of time
- Define your personal and business goals

NFTE and QCA's Work-Related Learning framework

To support the statutory Work-Related Learning requirement, a QCA non-statutory framework sets out the suggested minimum experience for all young people. The framework is based on a long tradition in work-related learning and on existing practice in schools where work-related learning is a key feature of provision. It reflects current developments in 14–19 education, including enterprise education, careers education, citizenship education and school-business links. The framework comprises nine elements, which cover the range of learning opportunities that together would deliver the statutory requirement.

(If you would like a copy of QCA's "Work-Related Learning for all at Key Stage 4" contact NFTE)

The NFTE course allows you to identify and capitalise on all QCA's recommended learning opportunities in a structured way.

Module 6, "Developing a Business Idea", allows you to create the following QCA framework learning opportunities. Take a few moments at the end of the class to highlight, not just what the students have learned about business, but also what they have learned about themselves in the context of work.

- 1. YES - Recognise, develop and apply their skills for enterprise and employability.**
- 2. YES - Use their experience of work, including work experience and part-time jobs, to extend their understanding of work**
3. Learn about the way business enterprises operate, working roles and conditions, and rights and responsibilities in the work place.
4. Develop awareness of the extent and diversity of local and national employment opportunities
- 5. YES - Relate their own abilities, attributes and achievements to career intentions and make informed choices based on an understanding of the alternatives.**
- 6. YES - Undertake tasks and activities set in work contexts**
7. Learn from contact with personnel from different employment sectors
8. Have experience (direct or indirect) of working practices and environments.
- 9. YES - Engage with ideas, challenges and applications from the business world.**