***The Big Pitch:***

***Starting A Business Project***

Do not lose this! You will need it now…and later.

**(200 Points)**

*Introduction*

One way to start learning about how businesses operate in the American economy is to actually develop a business idea and “pitch” it to potential investors for financial support. For the next 10 plus weeks, you and your teammates, will consider what it might take to start a “for-profit” enterprise from scratch. (*Choose wisely! You will never see some of these people again after the end of the school year.*) You will then pitch your idea to a group of “investors” (*us*) in order to secure financing to bring your product/service to the market.

Note: You will almost certainly NOT be developing a real business or product. You WILL be considering different ideas that might become a good product or service. Almost anything can be considered. Use your imagination. I am only asking that you keep your ideas REASONABLE, POSSIBLE, and APPROPRIATE.

Objective

The purpose of this activity is for you to get a “feel” for some of the analysis and decision-making that characterize business operations in the American economy. As an entrepreneur, you (*and your team*) will confront basic issues of starting a business, including determining the type of business organization, product development, marketing, and financing. In the end, you will find that this is a very applied assignment.

Overview of the Process

*Once completed, you will have covered these topics*

1. Business Organization: Decide what type of business you want to run (*sole proprietorship or* *partnership*), delegate responsibilities, and choose a company name/logo.
2. Market Research: Generate ideas for a possible product/service, identify “target” consumers, assess demand and earnings potential, and develop a marketing plan (*who are you going target* *and how are you going to reach them-in other words: advertising.*).
3. Cost Analysis: Research and estimate the costs of production and pricing.
4. Team Presentation/Business Report: On an assigned day (*week of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*), you will make a formal presentation to potential investors (*the class*) and turn in a written report.

***Note: Your team may on occasion be able to use class time for “board meetings” to discuss your progress, BUT be aware that most of work on this project will be done outside of class.***

Ground Rules

* You may NOT market any products/services related to the following: *sex, drugs, gangs, and alcohol.* *Avoid anything not school appropriate.* You WILL need approval (*from me*) on the product/serviceyou decide to develop.
* If your business involves a PRODUCT, your company must develop a product to which you have ADDED VALUE. If it is a SERVICE, you must show how it is different from everything else out there.
* Any students who are absent for the group’s presentation or “absent” from the written work can/will receive no more than a “C” for that part of the project.
* You may only work with up to TWO other people from **this** class period.

Business Report Questions (Written Work)

*To receive full credit, the following must be answered with a reasonable amount of detail. If you want my advice, I would start at question number one as soon as possible and start moving down the line.*

*DO NOT put any of the following in a folder or binder of any type!*

1. What is the name of your business, and why did you choose it? Create and include a picture/copy of a logo of your design with this answer.
2. List the company’s owners (*you and, if applicable, your partners*) and their roles, jobs, and responsibilities. For example: Who is the president, finance manager, marketing manager, and/or production manager? Please include the duties of each (*advertising, personnel, sales, customer* *service, etc.*).
3. What type of business organization have you formed (*sole proprietorship or partnership*) and why did you choose this form of organization? What are the advantages and disadvantages of your type of business organization? Note: Remember when we discussed this in class in the first few weeks?
4. What type of product/service are you proposing to sell (*What exactly are you doing*)? Why? Describe the product/service. Include a photo or drawing of your product(s) and/or the equipment needed to carry out your services.
5. If you are proposing to sell a product: How did you add value to your product?

If you are proposing a service: How is your service different from all of the other similar services (*your competition*) out there?

1. What variety of products did your group brainstorm to sell? In other words, what did you consider doing before you settled on your final idea?
2. What specific land, labor, and capital will you need to produce, sell, and distribute your product?
3. Where and how will your product be PRODUCED? Where will you primarily SELL your product?
4. If you were to decide to go forward with this idea and start an actual, on-going business, what steps would you need to take? What government approvals are necessary (*Business licenses,* *environmental regulations*)?
5. What kind of market research did you perform? Note: This will almost always be in the form of a market survey that we will do as an assignment here, in class. This question will help you with numbers 13, 14, 16, and possibly/ultimately 17.
6. In what kind of market structure will your company compete? Is it a market, monopolistic competition, oligopoly, or monopoly? Remember these choices from chapter 7? What are the characteristics and barriers to entry in your market structure? This is all found in chapter 7.
7. If you will face some competition, who or what is your competition?
8. Explain how you set the price for your products/services.
9. Describe your customer base, or target. In other words, what is the age, gender, personality, etc. of your ideal customer?
10. Prepare a radio commercial (10-30 seconds), television commercial (20 seconds – 2 minutes maximum) and print advertisement (1/4-page minimum – 1-page maximum) for your company or your products/services. Explain the strategy behind each of your advertisements/commercials.
11. Include a “detailed” financial report that shows your estimated revenues and costs. In other words, what do you estimate it will cost to start this thing? Give us some details; break down the “major” costs. This can be accomplished through some minor research on the Internet, through some short interviews with business owners or possibly even with your boss at work or parents. Also include an estimate of how much money you think you can bring in (*revenue*) with this idea. You can

“guesstimate” this from your market survey (*see number 10 above*).

1. How much money will you need to start the business?

Remember…NO folders or binders!