



# Have a Plan, Stan!

EPISODE #201

## LESSON LEVEL

Grades 6-12

## KEY TOPICS

- Entrepreneurship
- Business Plans
- Goal Setting

## LEARNING OBJECTIVES

1. Know the value of a business plan.
2. Recognize elements of a business plan.
3. Learn how to plan for success.
4. Learn financial terms.

## EPISODE SYNOPSIS

Biz Kid\$ explore the different elements of a business plan, and why it's important to develop a plan before you start your business. A business plan is key to developing and running a successful venture of any kind.

## NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

- Standard 1:* Take responsibility for personal financial decisions.
- Standard 2:* Find and evaluate financial information from a variety of sources.
- Standard 4:* Make financial decisions by systematically considering alternatives and consequences.

Income and Careers

- Standard 1:* Explore career options.

Planning and Money Management

- Standard 1:* Develop a plan for spending and saving.
- Standard 2:* Develop a system for keeping and using financial records.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education**.

- Standard 2:* Decision Making
- Standard 14:* Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

*Standard 1:* Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

*Standard 4:* Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

*Standard 7:* Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

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# LESSON PREP & SCREENING

## Getting Started

Familiarize yourself with the episode ahead of time. It will serve as a springboard for student learning, discussions, vocabulary exploration, and hands-on activities. Determine what equipment is required to show the episode in your classroom and request it if needed. Choose an activity (each one takes between 45-60 minutes), and gather supplies. Students will need a pen or pencil and copies of the activity worksheets. Have fun!

## Screening

Introduce the series and the episode. Explain that Biz Kid\$ is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money. Prior to playing the episode, lead your students in a discussion with the preview questions on this page.

## About the Episode

Join the Biz Kid\$ and you'll meet social visionaries who use the same tools as for-profit companies to create thriving non-profit organizations and powerful movements for social change.

## Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- How many of you use a planner - either paper or electronic - to keep track of your life?
- What is the purpose of a plan?
- What elements do plans have in common?

## Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

## Summary and Conclusion

This episode showcases some young entrepreneurs and how they used plans to succeed in business. A market survey will help entrepreneurs get funding because potential investors want to know facts. Do your research and make a detailed, specific plan!

## Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



# FAMILY ACTIVITY SHEET

## Episode Synopsis

Join the Biz Kid\$ and you'll meet social visionaries who use the same tools as for-profit companies to create thriving non-profit organizations and powerful movements for social change.

## Activity Suggestions

How does your family use planning to achieve goals?

Do you use calendars, schedules, and planners to manage your time and resources?

What format do you use to manage your family finances and budget? Parents can help their children learn to use these tools by sharing how they help you manage time and money. Children need to see specific examples.

As a family, discuss strategies used in planning, such as a time frame to review plans and goals, and adjust the plan as needed.

Together, create a list of goals for school assignments, a family vacation, chores, after school activities, and finances. Set specific dates for reaching the goals. Also set dates to review your progress toward those goals. A plan needs to be flexible, as well as specific.

With your child, explore career options involving planning, such as being a financial planner or a city planner.

If you are a business owner, share with your family how a business plan works for you. Talk with business owners in your community about their business plans.



Activity #1:

# BIZ TERM\$

## WORKSHEET FOR STUDENTS

### Biz Term\$

- Business plan
- Contingency plan
- Financial projection
- Location
- Market analysis
- Marketing plan
- Profit
- Rate of return
- Target consumer
- Venture capitalist (VC)

### Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

### Biz Term\$ Episode Review

1. A person who will loan money for a business start-up is a \_\_\_\_\_.
2. A product or service is marketed to a \_\_\_\_\_.
3. An organized set of steps to take in an emergency is a \_\_\_\_\_.
4. Choosing a good \_\_\_\_\_ makes a difference in business traffic and success.
5. A \_\_\_\_\_ is what you know about the industry you're getting into.
6. Money left after expenses have been paid is \_\_\_\_\_.
7. A percentage of gain or loss on an investment over a period of time is the \_\_\_\_\_.
8. A \_\_\_\_\_ is a detailed plan that includes strategies for achieving profit goals.



# CURRICULUM CONNECTIONS

## Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

## History/Social Studies

- Before venture capitalism, there were wealthy philanthropists who supported businesses and artists. Research one of the following philanthropists, and find out which people and businesses they have sponsored: Andrew Carnegie, John D. Rockefeller, Isabella I of Castile, Walter Annenberg, or another famous philanthropist of your choice.

## Mathematics

- Understand how to calculate return on investment (ROI). One of the entrepreneurs in this episode has an ROI of 31%, which is 31 cents extra in return for every \$1 invested. If a person were to invest \$325 in her business, how much money would they receive in return?

## Economics

- A market economy is based on the idea of supply and demand. If you can reach your target consumer with advertising, then the demand for your product should go up, and sales of your product should go up as well. Thinking about supply and demand, there are at least two actions you can take when demand increases. One action is to raise the price of your product, the other action is to increase the supply of your product. You could even do both. Which actions would you take and why?

## Optional Vocabulary Extensions

### Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each Biz Term.

### Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each Biz Term in their own words to demonstrate comprehension.



Activity #2:

# ECONOMICS OF ONE UNIT

## WORKSHEET FOR STUDENTS

### Directions

In this episode, one of the entrepreneurs had a candle business. As part of her business plan, she had calculated the “Economics of One Unit” which is the cost and profit information for making one candle.

Example:

Item	Amount
Definition of 1 unit	1 candle
Selling price per unit	\$17.00
Direct labor per unit (How much you pay your employee for their time.)	\$2.67
Materials per unit (The cost of all the ingredients.)	\$6.44
Total cost of unit (Direct labor plus Materials)	\$9.11
Gross profit per unit (Selling price minus Total cost)	\$7.89

Pick a product that you like, and try to figure out how much it would cost to make one unit. Assume that direct labor is paid at the minimum wage per hour. Use the library or the internet to research the cost of ingredients or materials.

Definition of 1 unit	
Selling price per unit	
Direct labor per unit (How much you pay your employee for their time.)	
Materials per unit (The cost of all the ingredients.)	
Total cost of unit (Direct labor plus Materials)	
Gross profit per unit (Selling price minus Total cost)	

Have students discuss these ideas and share their answers with the class.



Activity #3:

# MARKET SURVEY

## WORKSHEET FOR STUDENTS

### Directions

Market research like this market survey gives you facts to back up your business plan projections. You are going to survey ten of your classmates.

1. My product (from activity #2) is a \_\_\_\_\_ and it is great because \_\_\_\_\_.

Would you be interested in buying this product?

Student #1: \_\_\_\_\_

Student #6: \_\_\_\_\_

Student #2: \_\_\_\_\_

Student #7: \_\_\_\_\_

Student #3: \_\_\_\_\_

Student #8: \_\_\_\_\_

Student #4: \_\_\_\_\_

Student #9: \_\_\_\_\_

Student #5: \_\_\_\_\_

Student #10: \_\_\_\_\_

2. Even if you did not want to buy one today, how much would you be willing to pay for my product or what price would you expect to see for it at the store?

Student #1: \_\_\_\_\_

Student #6: \_\_\_\_\_

Student #2: \_\_\_\_\_

Student #7: \_\_\_\_\_

Student #3: \_\_\_\_\_

Student #8: \_\_\_\_\_

Student #4: \_\_\_\_\_

Student #9: \_\_\_\_\_

Student #5: \_\_\_\_\_

Student #10: \_\_\_\_\_

3. What store would you suggest for me to sell my product at in order to have a successful business?

Student #1: \_\_\_\_\_

Student #6: \_\_\_\_\_

Student #2: \_\_\_\_\_

Student #7: \_\_\_\_\_

Student #3: \_\_\_\_\_

Student #8: \_\_\_\_\_

Student #4: \_\_\_\_\_

Student #9: \_\_\_\_\_

Student #5: \_\_\_\_\_

Student #10: \_\_\_\_\_

4. Using the answers above about expected price, and the information from activity #2 about cost per unit, what price would you set for your product, and why? \_\_\_\_\_

\_\_\_\_\_

Have students discuss these ideas and share their answers with the class.



# BIZ TERMS DEFINITIONS

- *Business plan:* A detailed plan including the strategies planned to achieve the profit goals.
- *Contingency plan:* An organized set of steps to take in an emergency.
- *Financial projection:* A forecast of future revenue and expenses for a business.
- *Location:* Where you want to put something; a designated geographic place.
- *Market analysis:* What you know about the industry that you're getting into.
- *Marketing plan:* Part of an overall business plan that considers target audience, customer needs, and strategies to reach business goals.
- *Profit:* Money that is left after expenses have been paid for from a business or an investment.
- *Rate of return:* The percentage of gain or loss on an investment over a period of time.
- *Target consumer:* The intended group to which a product or service is marketed or advertised.
- *Venture capitalist (VC):* A private investor that provides money to start a new business or to grow an existing business.





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