



# Crash Course on Starting a Business

EPISODE #405

## LESSON LEVEL

Grades 6-8

## KEY TOPICS

- Entrepreneurship
- Marketing
- Business plans

## LEARNING OBJECTIVES

1. Understand why you need a business plan.
2. Identify sources of funding for your business.
3. Learn how to market a product or service.
4. Learn financial terms.

## EPISODE SYNOPSIS

So, you've got an idea for a business - now what? Check out this quick but comprehensive course on business basics. Put it all down in your business plan, from getting funded to making a profit. Meet two sisters making millions from magnets, and a pig farmer who knows all about marketing.

## 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 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.

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

So, you've got an idea for a business - now what? Check out this quick but comprehensive course on business basics. Put it all down in your business plan, from getting funded to making a profit. Meet two sisters making millions from magnets, and a pig farmer who knows all about marketing.

## Episode Preview Questions

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

- Have you thought about starting your own business?
- What do you love to do, and are willing to work hard for?
- How would you go about starting a business?

## Next Steps

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

## Summary and Conclusion

Starting your own business can mean making your dreams come true. If you have a great idea and a passion for something, with the correct planning and follow-through that idea can become a profitable business. Take all the important steps to success by creating a business plan first.

## 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

So, you've got an idea for a business - now what? Check out this quick but comprehensive course on business basics. Put it all down in your business plan, from getting funded to making a profit. Meet two sisters making millions from magnets, and a pig farmer who knows all about marketing.

## Activity Suggestions

Your student has learned five key steps in starting a business from watching this episode. Have them explain the five steps (Idea, Marketing, Profits, Funding, and Plan) to your family. If someone in your family has a business, ask them to share how they got started and if these steps were part of their experience.

A business starts with an idea. As a family, brainstorm ideas for a product or service. One good way to get started is to think about a problem that needs to be solved, and then think about what product or service could solve that problem. List your ideas on a piece of paper that is posted where everyone can see it. After you have several ideas listed, discuss which ones you think would be the best for your family if they really want to start a business.

Challenge your student to take the business idea your family came up with and create a business plan for it. The plan should include a description of the business idea, how they will market the product, where they will get funding to start the business, and what kind of expenses and profits they expect.



Activity #1:

# BIZ TERM\$

## WORKSHEET FOR STUDENTS

### Biz Term\$

- Advertise
- Business plan
- Economics of one unit
- Invest
- Marketing strategy
- Product
- Profit
- Start-up costs
- Target customer
- Venture capitalist

### 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 most likely to buy your product or service is your \_\_\_\_\_.
2. Money left after paying expenses is \_\_\_\_\_.
3. To call attention to a product or service is to \_\_\_\_\_.
4. A \_\_\_\_\_ is a tangible good, something you can touch.
5. Someone who invests in a new business is a \_\_\_\_\_.
6. A plan to promote a product or service is a \_\_\_\_\_.
7. Expenses required to start a business are \_\_\_\_\_.



# 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

- Using the library or the internet, find out when the term ‘venture capitalist’ first became popular. What are some other terms that have been used in the past for people who invest in new and growing businesses?

## Mathematics

- The economics of one unit is the cost in materials that it takes to create one unit of your product. If you’re going to have a lemonade stand, and one unit of your product is one glass of lemonade, you need to account for the glass, the straw, the napkin, the lemons, the sugar, and the water. Make an estimate for the cost of each of these items - how much do you think it will cost to make one glass of lemonade?

## Economics

- Using the library or the internet, find answers to the following questions about the impact of venture capital on the economy of the United States. How many venture capital companies are there in the U.S.? Where do they get their money? What impact does venture capital have on the economy?

## 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:

# MY BUSINESS PLAN

## WORKSHEET FOR STUDENTS

### Directions

In this episode, the Biz Kid\$ learned that it is important to have a business plan.

BUSINESS PLAN	by _____ (your name)
PRODUCT/SERVICE My product or service is:	
CUSTOMER My target customer can be described as someone who is:	
MARKETING My customer will learn about my product from:	
ONE UNIT It will cost this much to make one unit of my product/service:	
INVESTMENT REQUEST To help me get started, I am looking for a loan or investment of:	

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



Activity #3:

# ELEVATOR PITCH

## WORKSHEET FOR STUDENTS

**Directions**

You need to be ready at any time to explain your business to a potential investor. Entrepreneurs have to be able to “pitch” or explain their ideas to investors quickly and effectively. Writing an “Elevator Pitch” is a great way to do that. Imagine you are in an office building, and an investor walks into the elevator with you. You would need a 30-second speech that effectively and dynamically explains your idea and why it will be successful.

Write your elevator pitch here:

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



# BIZ TERMS DEFINITIONS

- *Advertise*: To promote goods or services.
- *Business plan*: A detailed plan including the strategies planned to achieve the profit goals.
- *Economics of one unit*: The amount that it costs to produce one unit of the product.
- *Invest*: An activity in which money is put at risk for the purpose of making a profit.
- *Marketing strategy*: A process that allows an organization to focus on its goals.
- *Product*: A thing that you can touch or a service that you can offer which is sold to your customers.
- *Profit*: Money that is left after expenses have been paid for from a business or an investment.
- *Start-up costs*: All of the expenses required to start your business.
- *Target customer*: The intended group to which a product or service is marketed or advertised.
- *Venture capitalist*: A private investor that provides money to start a new business or to grow an existing business.





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