

Lesson Plan —How to Create an Effective Business Plan

Course Title: Entrepreneurship

Session Title: How to Create an Effective Business Plan

Performance Objective:

- Upon completion of this lesson, the student will describe resources for writing an effective business plan.

Specific Objectives:

- Students will describe the resources available for researching a business plan.
- Students will name common mistakes to avoid in business planning.

Preparation

TEKS Correlations:

This lesson, as published, correlates to the following TEKS. Any changes/alterations to the activities may result in the elimination of any or all of the TEKS listed.

- **124.12(c)(3)(A)**
demonstrate an understanding of components of a business plan
- **124.12(c)(3)(B)**
develop, explain, and defend a plan for a new business
- **124.12(c)(2)(D)**
develop marketing strategies for a proposed marketing plan
- **124.12(c)(14)(C)**
explain how to use marketing research process in order to identify potential markets, analyze demand, forecast sales, and make other decisions
- **124.12(c)(20)(A)**
explain how entrepreneurs identify needs
- **124.12(c)(21)(A)**
categorize business risks as human, natural, and economic
- **124.12(c)(2)(A)**
explain the marketing concept

Interdisciplinary Correlations:

English

110.42(b)(6)(A) – Vocabulary Development

...expand vocabulary through wide reading, listening, and discussing

110.42(b)(6)(B) – Vocabulary Development

... rely on context to determine meanings of words and phrases such as figurative language, idioms, multiple meaning words, and technical vocabulary

110.42(b)(7)(F) – Reading/comprehension

...identify main ideas and their supporting details

110.42(b)(7)(G) – Reading/comprehension

...summarize texts

110.42(b)(7)(J) – Reading/comprehension

...read silently with comprehension for a sustained period of time

Accommodations for Learning Differences:

It is important that lessons accommodate the needs of every learner. These lessons may be modified to accommodate your students with learning differences by referring to the files found on the [Special Populations page](#) of this website.

Teacher Preparation:**References:**

1. Entrepreneurship Ideas in Action, Fourth Edition, Cynthia L. Greene, Southwestern Cengage
2. Making a Job: A Basic Guide to Entrepreneurship Readiness, Marilyn Kourilsky, Kauffman Foundation for Entrepreneurial Leadership.
3. USA Today and local newspapers
4. Small Business Administration (SBA) www.sba.gov
5. Service Core of Retired Executives (SCORE) www.score.org

Instructional Aids:

1. "How to Create an Effective Business Plan" PowerPoint Presentation
2. How to Create an Effective Business Plan Assignment Sheet
3. Inform Assignment #1
4. Inform Rubric
5. Location, Location, Location Assignment #2
6. Location, Location, Location Rubric
7. Entrepreneurship Newscast Assignment # 3
8. Entrepreneurship Newscast Rubric
9. Internet

Materials Needed:

1. Construction paper
2. Scissors and glue
3. Poster board

Equipment Needed:

1. Computers for students to complete projects
2. Projector for PPT

Learner Preparation:

1. Ask students to prepare a list of business leaders in the community who they would consult before writing a business plan. Ask students why they have selected the leaders on their list.
2. Ask students to use the Internet to research the Small Business Administration (SBA), the Small Business Development Centers (SBDC), and the Service Corps of Retired Executives (SCORE). Then ask students to explain how each of these organizations is important resources when writing a business plan.

- Write “Mistakes in Business Planning” on the board. Then ask students to give examples of mistakes that are commonly made when preparing business plans. Examples of mistakes should include unrealistic financial projections, undefined target market, poor research, ignored competition, inconsistencies in the business plan, inadequate funding, and poor advice from others.

Lesson Plan

Introduction (LSI Quadrant I):

- Since 1964, 7.5 million entrepreneurs have been counseled by SCORE or attended SCORE workshops. Ask students why it would be a good idea for them to contract SCORE before writing their business plans.
- Ask students if they have ever faced a project which was confusing to start. Then explain that starting a business has a lot of unknowns. Individuals start with an idea and then have to determine how to turn the idea into a business.
- Make students aware that preparing a business plan is not an easy task. Writing a business plan can take 50 to 100 hours. Emphasize the importance of conducting research to find all the information required for a business plan.
- Ask students to use the Internet to research a trade association related to the type of business they wish to pursue. How can the trade association help them get off to a better successful business start?


Important Terms for this Lesson:


- Small Business Administration (SBA) – an independent agency of the federal government that was created to help Americans start, build, and grow businesses
- Small Business Development Center (SBDC) – provides management assistance to current and prospective small business owners
- Service Corps of Retired Executives (SCORE) – made up of more than 10,500 retired executives who volunteer their time to provide entrepreneurs with real-world advice and know-how
- Trade association – made up of professionals in a specific industry


Outline

Outline (LSI Quadrant II):










Instructors can use the PowerPoint presentation, slides, handouts, current events, the Internet, and note pages in conjunction with the following outline.

MI	Outline	Notes to Instructor
	<ol style="list-style-type: none"> I. Research the Business Plan <ol style="list-style-type: none"> A. Convince readers that you have a practical business idea B. Pull together the information you need for your business plan by conducting research <ol style="list-style-type: none"> 1. Leasing space or equipment 2. Determining prices to charge for products and services 	Break the class into teams of two students. Ask each group to write a business idea. Then have the teams exchange ideas and each team must rate

	<p>3. Dealing with competitors</p> <p>C. Small Business Administration (SBA)</p> <ol style="list-style-type: none"> 1. Provides management assistance to current and prospective small business owners 2. Counselors provide aid, counsel, and assistance to protect the interests of small business concerns, preserve free competitive enterprise, and to maintain and strengthen the overall economy of our nation <p>D. Small Business Development Centers (SBDC)</p> <ol style="list-style-type: none"> 1. Provides management assistance to current and prospective small business owners 2. Counselors provide free one-on-one assistance in developing a business plan 3. Provide inexpensive workshops on topics to help develop a business plan 4. Formed as a cooperative effort of the private sector, educational community, and federal, state, and local governments 5. Enhance economic development by providing small businesses with training and technical assistance <p>E. Service Corps of Retired Executives (SCORE)</p> <ol style="list-style-type: none"> 1. More than 10,500 retired executives who volunteer their time to provide entrepreneurs with real-world advice and know-how 2. Set up a meeting with a SCORE volunteer, work with a SCORE volunteer over the Internet, or attend a workshops sponsored by SCORE <p>F. Other Sources of Help</p> <ol style="list-style-type: none"> 1. Chamber of Commerce 2. Trade Associations – organizations made up of professionals in a specific industry 3. Professional Consultants – experts available to hire 4. Financial institutions <p>G. Print Resources</p>	<p>the probability of success for each idea.</p> <p>Show students an example of a winning business plan from national DECA (www.deca.org). Then ask students to explain how the plan can be enhanced by consulting the SBA, SBDC, and SCORE. Ask students why members of SCORE are good resources for someone writing a business plan. Students must understand the wealth of information available from someone who has already operated a successful business.</p> <p>Ask students to use the Internet to research the Chamber of Commerce for a city where they would like to locate a business. Does the website include links to assist new business start-up companies for the community? What features of the community are good for a new business?</p>
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	1. Books 2. Magazines 3. SBA publications H. Online Resources 1. SBA, SBDC, and SCORE web sites 2. Franchise web sites	
	II. Mistakes in Business Planning A. Unrealistic Financial Projections B. Undefined Target Market C. Poor Research D. Ignored Competition E. Inconsistencies in the Business Plan	Ask students why it is important to take time before jumping into a business plan. Explain how 60% of businesses fail within five years. Then describe how research can eliminate some of the pitfalls experienced by business failures.

Copy and paste Multiple Intelligences Graphic in appropriate place in left column.

								
Verbal Linguistic	Logical Mathematical	Visual Spatial	Musical Rhythmic	Bodily Kinesthetic	Intra-personal	Inter-personal	Naturalist	Existentialist

Application

Guided Practice (LSI Quadrant III): Using the PowerPoint presentation, the teacher will describe the numerous resources and organizations that are available to help entrepreneurs start their business dreams.

Invite guest speakers from SBA, SBDC, SCORE, and the Chamber of Commerce to help students establish a realistic picture of networking necessary for starting a business. The professionals from SBA, SBDC, and SCORE can serve as valuable resources in the classroom once students start writing their actual business plans.

Independent Practice (LSI Quadrant III):

- Inform Assignment #1**

Split the class into five groups. The five groups will use the Internet to research SBA, SBDC, SCORE, Chamber of Commerce for your community, and professional organizations representing the career interests in that group of students. Each group is responsible for teaching the class about the organization they have researched. PowerPoint group presentations will be evaluated using a rubric.

- **Location, Location, Location Assignment #2**

The success of a business depends heavily upon the location. The business must be located conveniently for the target market. The location should be easily accessible by traffic going both directions. There should be plenty of parking spaces available in a well-lighted parking lot. There should be a high level of consumer traffic flow daily. Ask students to select an available business location in the community, conduct research, observe the location, and write a report explaining why the location is a good/poor choice for a business. The written report will be evaluated using a related rubric.

- **Entrepreneurship Newscast Assignment #3**

Ask students to locate two articles in the library or on the Internet about successful entrepreneurs and write the Top Ten Points for each article. Students will share their information in class, using PowerPoint presentations for their newscasts. PowerPoint presentations will be evaluated using a related rubric.

Summary

Review (LSI Quadrants I and IV):

Q: What are some of the resources available to help develop a business plan?

A: SBA, SBDC, SCORE, Chambers of Commerce, trade associations, professional consultants, financial institutions, trade magazines, and government publications are good sources of information.

Q: What are common mistakes that are made in business plans?

A: Common mistakes include unrealistic financial projections, undefined target market, poor research, ignored competition, and inconsistencies in the business plan.

Q: Why must research be conducted when writing a business plan?

A: The business plan must convince readers that you have a practical business idea backed by information and data from objective sources.

Evaluation

Informal Assessment (LSI Quadrant III):

1. Instructor will observe students during Independent Practice.
2. Instructor will assist students as needed.

Formal Assessment (LSI Quadrant III, IV):

Use the assigned rubrics to evaluate the three Independent Practice Assignments (LSI Quadrant III)

Extension/Enrichment (LSI Quadrant IV):

1. Students interview successful entrepreneurs to learn what community resources they used when writing their business proposals. Students will also learn what the entrepreneurs would do differently if they were starting a business today. Students will learn how entrepreneurs learn from mistakes.
2. Students will develop the Four Ps of marketing outline for the business that they would like to operate. Then they will develop the agenda for a meeting with a representative from SCORE. Students will write questions that they will ask the SCORE representative.

Entrepreneurship - How to Create an Effective Business Plan Independent Practice Student Assignment Sheet

- **Inform Assignment #1**

The class will be split into five groups. Each group will use the Internet to research SBA, SBDC, SCORE, and Chamber of Commerce for your community, and professional organizations representing the career interests in your group. Each group is responsible for teaching the class about the organization they have researched. PowerPoint group presentations will be evaluated using a rubric.

- **Location, Location, Location Assignment #2**

The success of a business depends heavily upon the location. The business must be located conveniently for the target market. The location should be easily accessible by traffic going both directions. There should be plenty of parking spaces available in a well-lighted parking lot. There should be a high level of consumer traffic flow daily. Select an available business location in the community, conduct research, observe the location, and write a report explaining why the location is a good/poor choice for a business. The report will be evaluated using a rubric.

- **Entrepreneurship Newscast Assignment #3**

Locate two articles in the library or on the Internet about successful entrepreneurs and write the Top Ten Points for each article. You will share their information in class, using PowerPoint presentations as a newscast. PowerPoint presentations will be evaluated using a rubric.

Entrepreneurship - How to Create an Effective Business Plan

Inform: Oral Presentation Rubric

Assignment #1

Student Name: _____

CATEGORY	20	15	10	5 or less
Content	Shows a full understanding of the topic.	Shows a good understanding of the topic.	Shows a good understanding of parts of the topic.	Does not seem to understand the topic very well.
Comprehension	Student is able to accurately answer almost all questions posed by classmates about the topic.	Student is able to accurately answer most questions posed by classmates about the topic.	Student is able to accurately answer a few questions posed by classmates about the topic.	Student is unable to accurately answer questions posed by classmates about the topic.
Preparedness	Student is completely prepared and has obviously rehearsed.	Student seems pretty prepared but might have needed a couple more rehearsals.	The student is somewhat prepared, but it is clear that rehearsal was lacking.	Student does not seem at all prepared to present.
Speaks Clearly	Speaks clearly and distinctly all (100-95%) the time, and mispronounces no words.	Speaks clearly and distinctly all (100-95%) the time, but mispronounces one word.	Speaks clearly and distinctly most (94-85%) of the time. Mispronounces no more than one word.	Often mumbles or can not be understood OR mispronounces more than one word.
Enthusiasm	Facial expressions and body language generate a strong interest and enthusiasm about the topic in others.	Facial expressions and body language sometimes generate a strong interest and enthusiasm about the topic in others.	Facial expressions and body language are used to try to generate enthusiasm, but seem somewhat faked.	Very little use of facial expressions or body language. Did not generate much interest in topic being presented

Total Score _____
Maximum 100 Points

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Location, Location, Location: Research Report Rubric

Assignment #2

Student Name: _____

CATEGORY	20	15	10	5 or less
Organization	Information is very organized with well-constructed paragraphs and subheadings.	Information is organized with well-constructed paragraphs.	Information is organized, but paragraphs are not well-constructed.	The information appears to be disorganized.
Sources	All sources (information and graphics) are accurately documented in the desired format.	All sources (information and graphics) are accurately documented, but a few are not in the desired format.	All sources (information and graphics) are accurately documented, but many are not in the desired format.	Some sources are not accurately documented.
Amount of Information	All topics are addressed and all questions answered with at least 2 sentences about each.	All topics are addressed and most questions answered with at least 2 sentences about each.	All topics are addressed, and most questions answered with 1 sentence about each.	One or more topics were not addressed.
Quality of Information	Information clearly relates to the main topic. It includes several supporting details and/or examples.	Information clearly relates to the main topic. It provides 1-2 supporting details and/or examples.	Information clearly relates to the main topic. No details and/or examples are given.	Information has little or nothing to do with the main topic.
Defined the Location	Thorough description of location's accessibility, parking, and consumer traffic.	Good description of the location which lack one or two key elements.	Incomplete description of the location.	Description lacked quality information about the location

Total Score _____
Maximum 100 Points

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Entrepreneurship Newscast: Rubric

Assignment #3

Student Name: _____

CATEGORY	20	15	10	5 or less
Accuracy of Facts	All supportive facts are reported accurately (3 of 3).	Almost all facts are reported accurately (2 of 3).	One fact is reported accurately.	No facts are reported accurately OR no facts were reported.
Research	Group researched the subject and integrated 3 or more "tidbits" from their research into their newscast.	Group researched the subject and integrated 2 "tidbits" from their research into their newscast.	Group researched the subject and integrated 1 "tidbit" from their research into their newscast.	Either no research was done or it was not clear that the group used it in the newscast.
Point of View - Purpose	Newscast establishes a purpose at the beginning and maintains that focus throughout! Cohesive newscast.	Establishes a purpose at the beginning, but occasionally wanders from that focus.	The purpose is somewhat clear but many aspects of the newscast seem only slightly related.	It was difficult to figure out the purpose of the newscast.
Awareness of Audience	All students in group can clearly explain why they felt the vocabulary, audio and graphics they chose fit their intended audience.	All students in group can explain why they felt the vocabulary, audio and graphics they chose fit their intended audience.	There was some awareness of the audience, but not all of the students can describe how the vocabulary, audio and graphics they chose fit their intended audience	Limited attention to audience in designing newscast AND/OR one or fewer members of the group can explain how the elements relate to the audience.
Group Work	The group functioned exceptionally well. All members listened to, shared with and supported the efforts of others. The group (all members) was almost always on task!	The group functioned pretty well. Most members listened to, shared with and supported the efforts of others. The group (all members) was almost always on task!	The group functioned fairly well but was dominated by one or two members. The group (all members) was almost always on task!	Some members of the group were often off task AND/OR were overtly disrespectful to others in the group AND/OR were typically disregarded by other group members.

Total Points _____
Maximum 100 Points