

Starting a Business: Project

SUBMITTED BY: Nina Hoe, University of Pennsylvania

SUBJECT(S): Computation

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, students demonstrate an understanding of the topics learned earlier in this unit (market research, high margin vs. high volume business, advertising and basic accounting and financial statements) and apply this knowledge to developing a basic business plan. The class begins with a brief discussion and review, and then students read a short Wharton Global Youth Program article, “Spanish Internet VIP Yago Arbeloa: ‘It Is Important to Take Advantage of the Moment’,” answering guided reading questions. The majority of the class period is spent working on business plans that incorporate the ideas of the week. Finally, student groups present their business plans, focusing on the key elements from this unit.

≡ NBEA STANDARD(S):

- Computation, I. Mathematical Foundations
- Computation, II. Number Relationships and Operations
- Computation, V. Statistics and Probability
- Computation, VI. Problem-Solving Applications

≡ RELATED ARTICLES:

- [“Young Entrepreneurs Make Headlines — and Cash”](#)
- [“Three Students Take Their ‘Smart Straw’ to Market and Raise Awareness about Sexual Assault”](#)
- [“The Well-Dressed World of Kate D’Arcy, Organic Fashionista”](#)

- “The Power of One African Teen’s Idea to Ward Off Lions”
- “Spanish Internet VIP Yago Arbeloa: ‘It Is Important to Take Advantage of the Moment’”
- “Meet the Brightest Young Entrepreneurs: ‘Be Open-minded and Jump at New Opportunities’”
- “John Brock of Coca-Cola: Staying Strong in the Competitive Beverage Industry”
- “Inside Accounting: ‘There’s Room among the Pencil Pushers for Creative Types Like Me’”
- “Get Your Lemonade, Here! And Business Tips from Mikaila Ulmer”
- “Future of the Business World: A Girl Scout Advocates for Redefining Success”
- “Educator Toolkit: Doing Business in Africa”
- “Dark Milk Chocolate Bars Help to Unlock Wealth in West Africa”

Common Core Standard(s):

- High School Mathematics: Statistics and Probability
- High School Mathematics: Modeling

Objectives/Purposes:

- Students apply knowledge of market research, high margin vs. high volume business, advertising and basic accounting and financial statements to design a comprehensive business plan.

Knowledge@Wharton Articles:

- “‘Walk the Market’: Tapping into Africa’s 900 Million Consumers”
- “Best Buy vs. Wal-Mart: Is There Room for Both, and Others?”
- “Death in the Middle: Why Consumers Seek Value at the Top and Bottom of Markets”
- “The Wal-Mart Empire: A Simple Formula and Unstoppable Growth”
- “Media Moves: Will the New Online Advertising Models Click”
- “Historical Cost vs. Current Cost: Accountants Wrestle with Reporting Question”
- “Financial Assets and Liabilities – Fair Value or Historical Cost?”

Other Resources/Materials:

- Computer with Internet
- Calculators
- Handout

Whole Class Discussion (3 – 5 mins)

1. To review, what are four elements of starting a business that we have talked about this week? (**Market Research, High Margin vs. High Volume, Advertising and Financial Statements**)
2. Do you have any questions about these elements?

Guided Reading (10 mins)

Read the Wharton Global Youth Program article: “[Spanish Internet VIP Yago Arbeloa: ‘It Is Important to Take Advantage of the Moment’.](#)”

- How did Arbeloa get started as an entrepreneur?
- What market did he tap into?
- What was his monthly income?
- What advice does he offer for young entrepreneurs?

Small Group/Team Activity (15-20 mins)

In small groups, students will demonstrate an understanding of the elements of business focused on in this unit. They will plan a 3-to-5-minute presentation based on the follow criteria.

1. Identify a business that you would like to start or a product that you would like to sell.
2. Clearly define your market. It can be a literal place (a specific city, town, online community, etc.) or if you do not know the exact place, you can specify the characteristics (i.e. a community with an average age of 18, warm climate, etc.)
 - a. Explain what market research you have done and would need to do. What statistics would you need to look at to verify your decision?
3. Determine whether your business or product will be high margin or high volume.
 - a. Make an educated guess, or use the Internet to estimate the cost to you of your product.

- b. By how much will you mark up?
 - c. What is your expected volume? Make sure to give rational for your expected volume.
4. Run some projections about your Internet advertising strategies.
 - a. Make some educated guesses about your conversion rate.
 - b. What type of click through rate will you need to get?
 - c. How many visitors the host/site of advertisement will you need to get?
5. Finally, generate a projected monthly income statement for your business. Make sure to include all sources of revenue and all expenses.
 - a. What is your estimated profit for the business in one month?

Presentations (10-15 mins)

Have students present their business plans to the class.

Tying It all Together:

Whole Class Discussion: (2-5 mins)

1. This is a basic overview of some things one might consider when starting a business.
What are others?

Practice Outside of the Classroom:

Do you think your business would make it? Look for indicators of this.