

# WORLD SERIES of INNOVATION

a Featured Event of Global Entrepreneurship Week/USA

NETWORK  
FOR TEACHING  
ENTREPRENEURSHIP

GLOBAL ENTREPRENEURSHIP WEEK  
NOVEMBER 16-22, 2015

DEADLINE FOR SUBMISSION IS

**NOVEMBER 17TH**

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## NFTE's World Series of Innovation

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*A featured event of Global Entrepreneurship Week*

November 16-22, 2015

The Network for Teaching Entrepreneurship's World Series of Innovation is a fun, experiential activity that allows students to think creatively and invent new products or services that address every-day opportunities. All students are encouraged to participate to develop their creativity and innovative thinking skills – and win some amazing prizes.

**It's a Group Thing:** Each team of at least two (2) and not more than five (5) young people will select one of our many innovation challenges and come up with a new, unique, innovative product or service to address that market niche. Your mission is to show us how the product or service will impact people's lives on a day to day basis and how you will market your great new innovation.

**Get Creative and Brainstorm:** Schools, teachers, students and host organizations can download this basic toolkit for the challenge that includes a set of activities designed to encourage creativity and innovation in preparation for the challenge. NFTE recommends using at least 90 minutes to prepare for the challenge and at least another 90 minutes for brainstorming and completing the submission process. In addition, all teams must submit a story board and script for a 60-second commercial for their innovation.

**Tell Your Story on the Big Screen:** Completed submissions are due on November 17, 2015, during Global Entrepreneurship Week. A panel of judges will select the top 10 submissions in each challenge category, who will be given at least 4 weeks to film and create the commercial for which they provided a story board and script.

**Into the Home Stretch:** From those top 10 submissions with video, three category finalists will be chosen by a committee of elite judges from the sponsoring organization. Those top 3 finalists will go head-to-head in a public online vote. There will be two winning teams per category: the "Adjudicators' Choice" selected by the sponsoring organization, and the "People's Choice" chosen by popular vote through our online voting platform.

*The winning team in each category will receive a prize of \$2000 to share, and a prize of \$500 for their school or other non-profit youth serving organization. If a winning group is not affiliated with a school or non-profit youth serving organization, that portion of the prize will be donated to a school or non-profit of their choice. Runners up will receive a prize of \$250 for the team to share.*

*Winning teams in some categories may also receive in-kind products from the category sponsors, which will be announced when the winners are selected.*

## Curriculum to support the World Series of Innovation

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*Entrepreneurship 11th Edition*

Chapter 1: *Introduction to Entrepreneurship*

Chapter 6: *Opportunity Recognition*

Chapter 8: *Marketing Your Product (optional)*

*In-class Activities*

- *Opportunity Recognition Game*
- *Product Innovation Activity*
- *Invention Contest Activity*
- *Lego® Exercise Activity*

## Submissions

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Submissions will take place online at <http://innovation.nfte.com>. **Submissions will consist of five parts:** an explanation of the product or service, a description of the innovation, a description of the opportunity and competition, a customer profile, and a storyboard and script for a 60-second commercial. Only the top 10 finalist teams in each challenge category will be required to provide a completed video.

[Name your Project \(this should be the actual of the innovative business or product you have dreamed up\)](#)

[Name your Team \(the default is Team Captain's First Name, but you should choose a fun team name and change it!\)](#)

### INNOVATION

Describe your innovation in 250 words or less. What is your product or service called? How would it work? How would a customer use it and benefit from it? Be clear, crisp and creative!

### MARKET OPPORTUNITY

How will your product or service solve an existing problem or fulfill a need that is not being met by other products or services? Why is your idea better? (250 word limit)

How is your idea different? Select up to 3 competitors and type a few words on how your product or service is different/better than they are. (for example: Less Expensive, Better Quality, More Selection)

### MEET THE CHALLENGE

How will your innovation address the issue defined in this specific challenge? What makes it especially innovative? (250 word limit) Now, describe that in 3 words (3 adjectives!).

### CUSTOMER PROFILE

Who is the target audience for your product or service?

- Select their Age: (range between 0 and 100)
- Select their Gender: (what % male? what % female?)
- Select their Location(choose from: urban, suburban, rural or global)

Describe the behaviors, interests, beliefs, lifestyle and personality of your customer.

## Submissions, cont.

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Why would the person you described above be interested in purchasing your product or service? (100 word limit)

### STORY

Here's your chance to tell and sell your story. Please upload up to 5 images of a storyboard for a 60-second commercial for your innovation. (images should be at least 400px (6 inches) wide).

Craft a script for your 60-second commercial. Be creative! Convince your customer that your innovation is worth buying. Good luck! (200 word limit)

If you're ready to submit your completed commercial video, you can upload a link to YouTube or Vimeo. Other links will not be accepted. The top 10 finalists in each category will be required to submit a video by January 14, 2016.

A submission worksheet and sample storyboard template are included for you to prepare your submissions.

## Judging

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Submissions will be reviewed by a panel of judges to determine three finalists in each category. Submissions will be evaluated based on:

- **Opportunity Recognition:** 20% of score
- **Innovative Concept and Creative Design:** 20% of score
- **Understanding of Customer Profile:** 12% of score
- **Description of Product, Service or Business model:** 12% of score
- **Market Research:** 18% of score
- **Business Growth Opportunity:** 10% of score
- **Supporting Materials/Commercial Storyboard:** 8% of score

## Deadline

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Submission forms must be completed at <http://innovation.nfte.com> by **8pm Eastern time on Tuesday, November 17th**. Late or incomplete submissions will not be accepted.

The top ten (10) finalists in each category will be selected by a panel of judges. Those top 10 will be asked to create and record their commercial video based on the storyboard previously submitted. Those videos will be due in early January 2015.

Judges from the sponsoring organizations will then select three (3) finalists in each category. The general public will be asked to vote online for their favorites of those 3 over a 2 week period. Should your group be a finalist, your commercial and submission will be available online for voters to review. Both a People's Choice and an Adjudicators' Choice winner in each category will be selected.

## Frequently Asked Questions

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**1. My school or youth group is not participating in the World Series of Innovation yet. How can we get involved?**

*It's easy to get involved! Team leaders - first visit our website at <http://innovation.nfte.com> to download the toolkit, sign up, invite your teammates, pick your innovation category, and start brainstorming. Then just make sure to complete and upload your submission form and storyboard by the deadline.*

**2. Can more than one team from a school or a single sponsoring youth program participate in the World Series of Innovation?**

*Yes! As many teams as want to are allowed to participate. Each team needs a different team leader, who is tracked and identified by his/her email address. Team leaders may not lead more than one team, unless they use a different email address.*

**3. How big can our team be?**

*Each team must have at least two (2) team members, and not more than five (5).*

**4. How much time will the World Series of Innovation take?**

*You can spend as much time working on it as you like, but we suggest at least the equivalent of 2 classes (90 minutes) be dedicated to the toolkit activities and background research, plus 2 more classes (90 minutes) devoted to brainstorming about your innovation and the completion of the submission form. In addition, you will need to create your commercial storyboard and script.*

*We recommend finding or hosting an "Innovation Day" near you, in which you can complete your entire submission in one day!*

**5. What is Innovation Day?**

*Innovation Day is an easy way for young people to complete the World Series of Innovation in one day with the help of instructors and volunteers from the community. It is a fun and exciting way to spend your day, dreaming up new and innovative products and entering for a chance to win prizes from our sponsors! You can tailor your date and time to what works best for you, your students, volunteers and hosts. Contact [innovation@nfte.com](mailto:innovation@nfte.com) to find out more!*

**6. Can we enter innovations in more than one category?**

*Yes, but remember you must fully complete each submission form and create a commercial storyboard for each idea you submit. That will take some time and effort if done well, so make sure not to over-extend yourselves by trying to do too much! Also, we track each project by the participants' unique email addresses. If you submit more than one project, your team leaders and members must use different email addresses.*

**7. Are there other teaching resources for teachers and program leaders?**

*This toolkit includes copies of NFTE curriculum and some interactive activities and games you can use to introduce some of the concepts that are the foundations of this learning, including opportunity recognition, innovation, and basic marketing.*

**8. Can a group of friends from different schools participate on the same team?**

*Sure, as long as there are at least two (2) and not more than five (5) people on each team, and you can identify one person as your team leader. You will also need to*

*identify one contact person at a school or non-profit with which you are affiliated.*

**9. When will the winning innovations be chosen?**

*Submissions are due to NFTE on November 17, 2015. The top ten (10) will be asked to record and submit a commercial based on their original storyboard submission. From the top 10 submissions, a panel of judges will select three (3) finalists in each category. Then the general public will be encouraged to vote for their favorite innovation in each category. The winners will be chosen by the number of valid, individual votes garnered from during the public voting period. The winning submissions will be announced in February, 2016.*

**10. What do we need to do to be officially registered as a participating team?**

*You must just submit your innovation by the deadline as directed on the submission form. You will receive a response indicating that we have received the submission.*

**11. Are there any registration fees?**

*No, there is no charge to participate in the World Series of Innovation!*

**12. What do the winning ideas receive?**

*The People's Choice winning team and the Adjudicators' Choice winning team in each category will receive \$2000 for the team members to split, plus \$500 for their school or youth serving organization. If a team is not affiliated with a specific school or youth serving organization, the \$500 will be donated to an applicable organization of their choice. Please note, winners will be responsible for paying applicable taxes on all winnings. Non-winning finalist teams will receive \$250 for the members to share. Some sponsors may also choose to provide other prizes for teams in their category.*

**13. Who is the contact person from our team?**

*Every team needs a leader - the person who creates an account and establishes the team. That person's email address will be used to contact your team. Each team must also provide a name and contact details for an adult contact at the school or youth serving organization with which you are affiliated.*

**14. How do we know if we've won?**

*Winners will be listed on the website! Also, your team leader and contact person will be notified by email.*

**15. When do the winners get their prizes?**

*Winning team members will be asked to complete and return a winners' contract to provide appropriate Tax Identification information and school or youth serving organization contact info. Prizes will be distributed to winners within 60 days from the receipt of the winners' completed contracts.*

**16. How do we contact you if we need to?**

*Most answers to your questions should be easy to find in this Toolkit or on the World Series of Innovation Website at <http://innovation.nfte.com>. If you really need to reach us, send email to [innovation@nfte.com](mailto:innovation@nfte.com)!*

**17. This was fun - how can I turn my idea into a real business?**

*Check out NFTE's online resource for young entrepreneurs: [www.MakeYourJob.org](http://www.MakeYourJob.org)*

## Product Innovation Game

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### *In-class Activity*

#### Lesson Plan

<i>Objective:</i>	The students will be able to create and present a make-believe or real product from the items distributed. Students are encouraged to think creatively and out-of-the-box.
<i>Materials Needed:</i>	Basic arts and crafts supplies. Items from around your house. Q-tips, cotton balls, pipe cleaners, glue, tape, string, plastic cups, paper plates, paperclips, etc.
<i>Set-up:</i>	<ul style="list-style-type: none"> <li>• Split students into small groups and give each group a set of materials.</li> <li>• All sets should be similar (differences in color are OK but supplies should be identical in size and quantity).</li> <li>• Assign 20 minutes for product creation and 1 minute for each group to present.</li> <li>• In groups, use your assigned materials to create a totally new product.</li> </ul>
<i>Outline of the Lesson:</i>	<p><b>Please prepare to present your idea to the class considering the following:</b></p> <ol style="list-style-type: none"> <li>1. The name of your product</li> <li>2. The features of the product</li> <li>3. The benefits your product offers to customers</li> <li>4. Who would be interested in this product (age, male or female, needs, interests, etc)</li> </ol>
<i>Assessment/Evaluation:</i>	Check for students' understanding, and the reasons for the types of products they create. Be sure to listen to students' justification for developing the product.



## Invention Contest

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### *In-class Activity*

#### Lesson Plan

**Objective:** Every student has the potential to invent a new product. The Invention Contest should be an ongoing class project once the Inventions chapter has been covered. The Schedule of Lessons suggests that you devote time for students to present the ideas and working models behind their inventions to the class at least once a week. You might want to structure it so that each class has one or two presentations, with students signing up, say, a week ahead of time.

The challenge and excitement generated by a class invention contest is one of the most stimulating and rewarding aspects of NFTE's entrepreneurship curriculum. Encourage students to be free and "crazy" with their ideas, while still keeping a practical end in view. Remember, products and services that are taking for granted today were once considered wildly improbably. Here's how to run the contest:

Resources describing various inventions

#### **Materials**

**Needed:** Show students several inventions and discuss them in class. Simple examples might include:

#### **Set-up:**

- The disposable wooden toothpick, invented in 1869 by Charles Forster, who noticed, while traveling in Brazil, that Brazilians picked their teeth with slivers of wood whittled from orange trees. Foster invented a machine to produce wooden toothpicks but couldn't sell any to local restaurants in his hometown of Boston. To market his idea, he hired fashionable and successful young men to loudly ask for disposable toothpicks in expensive Boston restaurants. Soon the embarrassed restaurant owners were calling him!
- The potato chip, invented in 1853 by George Crum, a Native American cook in a restaurant in Saratoga Springs, New York. A customer kept complaining that the French fries were too thick so Crum cut some potatoes so thin that they could not be eating with a fork. Crum eventually sold the recipe to Herman Lay, who started Lay's Potato Chips.

Other examples of famous inventions that are easy to research online include Slinkys, Silly Putty, Post-It Notes, Band-Aids, Yo-Yos, and Frisbees.

## Invention Contest

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### *In-class Activity*

Lesson Plan (continued)

<p><i>Outline of the Lesson:</i></p>	<p>Explain that to survive as the basis for a business, an invention must satisfy a consumer need. Have students ask themselves: “What need or problem do I have that is not met by products or services already in existence?”</p> <p>Have each student write a memo detailing ideas for his or her invention. The memo should include a name for the product or service, how it would work, and the consumer need it would fill. Students should provide a sketch of the invention at the bottom or on the back of the memo. Stress that the illustration does not have to be great artistically to be a good tool for explaining the invention.</p> <p>Students should stand, one at a time, and present and discuss their inventions.</p>
<p><i>Assessment/Evaluation:</i></p>	<p>To determine the winner(s) of the Invention Contest, let the students judge one another, with the teacher casting the deciding vote in case of a tie. A ratio of approximately one winner for every ten students is a good rule of thumb.</p> <p>Be creative with contest awards—certificates, cash, concert tickets, etc. can all be used to stimulate competition and provide students with the incentive to do their best. Try to hold at least two of these contests during the course.</p> <p>Check for students’ understanding, and the reasons for the types of products they create. Be sure to listen to students’ justification for developing the product.</p>

## Lego® Activity

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### *In-class Activity*

#### Lesson Plan

**Objective:** This game can be used to help students work out the Economics of One Unit for their product.

**Materials Needed:** You will need a large quantity of Lego pieces, from a standard Lego set (no special pieces required). Adjust the unit cost list below to reflect the colors of the pieces used in your set.

**Activity:** Lego has hired your product development team to create a new toy using Lego pieces.

You have 50 minutes to complete the task.

**In groups you must do the following:**

1. Decide as a group what toy you want to make.
2. Choose one delegate to collect the Lego pieces from display.
3. Build the toy as a team.
4. Using the cost sheet, determine the cost of materials using the unit costs listed below.
5. Calculate how much time it took to build the toy to determine labour costs to produce the toy.
6. Identity a target consumer.
7. Give the toy a name.
8. Calculate the selling price.

**Unit cost per Lego piece:** Given the selling price, how much profit will Lego make on each toy sold?

Color	Cost
Red	\$.15
Blue	\$.15
Black	\$.09
Yellow	\$.06
White	\$.09
Orange	\$.03
Light green	\$.02
Grey	\$.06
Light blue	\$.05

# Lego® Activity

## Worksheet

Name of Toy: \_\_\_\_\_

Selling Price: \$ \_\_\_\_\_ (A)

Material Expense:	Color	Quantity	Total Cost
	Red		\$ _____
	Blue		\$ _____
	Black		\$ _____
	Yellow		\$ _____
	White		\$ _____
	Orange		\$ _____
	Light green		\$ _____
	Grey		\$ _____
	Light blue		\$ _____

Total Cost of Materials: \$ \_\_\_\_\_ (B)

Labor Expense: Time production commenced: \_\_\_\_\_  
 Time production completed: \_\_\_\_\_  
 Total time taken to produce: \_\_\_\_\_ (in hours)  
 Wage rate per hour: \$ \_\_\_\_\_  
 Total number of staff: \_\_\_\_\_  
 Total cost of labor (staff x rate/hr x total time):\$ \_\_\_\_\_ (C)

Total Expense: \_\_\_\_\_ (D)  
 (B+C)

Total Profit: \_\_\_\_\_  
 (A-D)

## Opportunity Recognition

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### *In-class Activity*

#### Lesson Plan

<b>Objective:</b>	Students will learn the how to differentiate sources of opportunity with real world examples.
<b>Materials Needed:</b>	<ul style="list-style-type: none"> <li>• Print out Opportunity Recognition game board.</li> <li>• Cut out different business opportunities that represent the 5 sources of opportunity and place them in an envelope or bag (<i>opaque</i>).</li> <li>• Put 5 cut outs into each bag (<i>1 sheet per bag</i>).</li> <li>• Stop watch</li> </ul>
<b>Set-up:</b>	Divide the class into groups of 3-5 students. Give each group a Board and a bag. Students should not open bag until instructed to do so.
<b>Outline of the Lesson:</b>	<p>In their groups students will get 1 minute to post the cut outs on the correct opportunity box. The first group to say "NFTE" and that has the most number of correct answers wins.</p> <p><b>NOTE:</b> students may be able to rationalize the answer. If the students show sound reasoning, allow the point. If there is a tie, go into lightning round, and have students identify the business or businesses that correspond to each opportunity.</p> <p>The team with the most correct answers wins.</p>
<b>Assessment/ Evaluation:</b>	Check for student understanding and close the learning with their own examples of each source of opportunity.
	<p><b>Learning Extension:</b> <i>Have students work in small groups and brainstorm opportunities and business ideas that they can do as students.</i></p>

## Opportunity Recognition Board Game

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### ANSWER KEY

<i>New Discoveries:</i>	Wireless Internet <i>(Is replacing wired connections)</i>
<i>Change/Trend:</i>	Eco-friendly business practices <i>(Are becoming widespread as customer demand increases)</i>
<i>Problem:</i>	Traffic congestion <i>(Continues to worsen as population grows)</i>
<i>Existing Product and Services:</i>	iPod <i>(Improved design and functionality of portable music players)</i>
<i>Unique Knowledge:</i>	Facebook <i>(Required access to college student body to create)</i>

## Opportunity Recognition Board Game

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*PROBLEM*

*EXISTING PRODUCTS  
AND SERVICES*

*CHANGE*

*UNIQUE  
KNOWLEDGE*

*NEW DISCOVERIES*

## Opportunity Recognition Board Game

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*Cut-outs*



**WIRELESS INTERNET**



**ECO-FRIENDLY  
BUSINESS PRACTICES**



**IPOD**



**TRAFFIC**



**facebook**

**FACEBOOK**

**WORLD SERIES** of  
**INNOVATION** NETWORK  
FOR TEACHING  
ENTREPRENEURSHIP



## Storyboard Tools

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*To help you create your storyboard for the submission*

*What is a storyboard?*

A storyboard is a visual aid primarily used to plan out or prepare a television commercial, short-film, or movie. Storyboards are useful in organizing sequences and steps and contain the flow of several processes that include visual elements, text or dialogue elements, audio, and actions of characters.

For the World Series of Innovation, we ask you to create a storyboard for a 60-second commercial for your innovative idea.

*How do you create a storyboard?*

To create a storyboard, all you need is a blank piece of paper, a strong visual sense and a clear idea of what you want to see in every scene. Let's start with the actual storyboard format. The best way is to take 5 pieces of 8.5 x 11 paper, draw a box (frame) on each one and below each panel place a line of dialog or a description of the audio you hear during the scene if there is no dialog.

We have provided a sample template for your storyboard below. It's what it would look like if you laid the 5 pieces of paper beside each other on the desk. Fill in each frame with a drawing of what you want to happen in that scene. You might say, "I can't draw!" No problem. Even stick figures will give you a sense of what is going on in a scene, the size of the shots and the placement of the camera and actors.

Online storyboard programs might be easier than creating the storyboards from scratch. Storyboard Tools is free shareware you can download from [www.myzips.com](http://www.myzips.com).

*What should we include in our storyboard?*

The more complicated your commercial, the more action-oriented your scenes and the more sophisticated your blocking, the more panels you will have to include in your storyboard. Basically, there are three primary types of images you will want to include in your storyboards: the action and reaction sequences in the scene, blocking diagrams for cameras and actors and depictions of special transitions or effects you may want to use in your production.

Every scene has some kind of action that you want to shoot, using certain camera shots, angles and movements. When you draw out your action panels, include arrows to show the direction of both actors and cameras. Draw the scenes so that the crew knows what type of camera angle and framing you want. Make sure you include every major dramatic point in the scene, so there is little question of where the scene is going and how **you visualize its production**.

## Storyboard Tools

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*To help you create your storyboard for the submission*  
cont'd.

*What should we include in your Storyboard (cont'd)?*

- 1) Create a title frame. The title area of your storyboard should contain your intended topic or general idea of the commercial.
- 2) Designate frame numbers or screen numbers. Each of your frames should be given its own unique name or number so we know what order they should be in.
- 3) Explain actions occurring on each frame. Provide explicit details and your vision behind what should happen, such as "John throws ball at Cindy."
- 4) Designate camera instructions. Explain what the camera should be doing for each frame, such as "Camera follows John as he walks 4 steps to the left."
- 5) Include character dialogue. For each frame in the commercial storyboard, write out the intended dialogue, such as "John: Our company is innovative and will get the job done."
- 6) Describe additional audio. For each frame, add details surrounding any extra audio you want to include, such as sound effects and background music.
- 7) Provide details on visual effects. If there are to be any visual effects you need to add after filming your commercial, include them in that frame. For example, if your character is talking about the world, mention that a picture of a globe should be turning around in the corner of the screen.

*Use these questions to help plan your commercial:*

Think about your audience! Who are they? What would they like to see? What's your key message or story you want to tell people? What images and sounds can you use to tell people about the best bits of your great day out?

What's your "hook?" Open your commercial by getting the audience's attention with a "hook," a statement or question that piques their interest to want to hear more. Be creative! What is your product or service? Briefly describe what it is your innovation does – make it exciting and compelling! Grab the customer's imagination right away.

What makes your business different from your competition? You need to effectively communicate how your company is different and why you have an advantage over your competitors.

Finishing - end with a call to action! The goal of your commercial is to get people excited about your product or service. Now that they are excited, what would you like them to do next? The end result should be to make a sale. Do you want them to contact you? Can they come to your store, or visit your website? How can the person watching the commercial buy your product or hire you?

# Storyboard worksheet

---

Title of our commercial

.....

**Brief overview:** What is the idea? What are we promoting?

.....

Describe the **beginning**

.....

Describe the **middle**

.....

Describe the **end**

.....

**Location / spaces and places** (Where will we film? Indoors, or outside?)

.....

**Props / equipment** (What equipment will we need? What should we show on camera?)

.....

**Presenter or Voice over** (Are we filming the person talking, or recording a voiceover on top of other visuals?)

.....

**Music** (If you're using music, use rights free music or music you have composed yourself.)

.....

***Make it creative and fun!*** Consider techniques like voice-over, cutting from live action to still photographs, etc. or use animation!

# Storyboard Sample *(thanks to Kenneth Chan)*

"CS2C: Fun with Storyboards" by Kenneth Chan



1 Establishing shot of classroom. One student snoring. One sits up in alarm over assignment.



2 Student feels overwhelmed. Voiceover: "I've never done this!" Camera pans slowly to make space.



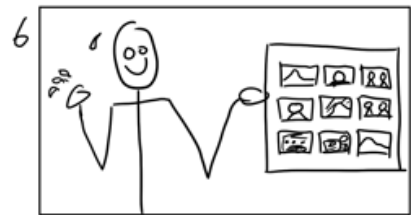
3 Ideas surrounded by blurry thought bubble. Brainstorm may also be video montage surrounded by blurry frame.



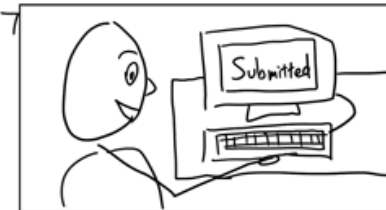
4 Moment of clarity. "Aha!" Ding or chimes; lightbulb moment.



5 Working in a dark dorm room. Sounds of clock ticking and pencil scratching on paper.



6 Proudly shows off finished storyboard. Wipes sweat off brow. Victory music. Zoom in on storyboard.



7 Submitting via Coursework. Fade out as if ending.



8 Back to the classroom. Keep as similar as possible to original. "Elaborate on your storyboards!"



9 Back to the drawing board. Looking haggard but determined. Fade out.

Storyboard Template (for submission, each image should be at least 400px or 6 inches wide, and uploaded separately.)

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Five horizontal lines for text below the first storyboard panel.



Five horizontal lines for text below the second storyboard panel.



Five horizontal lines for text below the third storyboard panel.



Five horizontal lines for text below the fourth storyboard panel.



Five horizontal lines for text below the fifth storyboard panel.

# WORLD SERIES of INNOVATION

a Featured Event of Global Entrepreneurship Week/USA

NETWORK  
FOR TEACHING  
ENTREPRENEURSHIP

GLOBAL ENTREPRENEURSHIP WEEK  
NOVEMBER 16-22, 2015

DEADLINE TO APPLY IS

**NOVEMBER 17TH**



Microsoft



Venturing &  
Emerging Brands

veb



MasterCard



Pitney Bowes Foundation



## Overview of Challenges - 2015

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# 1



### Your Challenge:

Design a fun and useful **tablet or smartphone app** for student use that is relevant to school and education.

*(See more on page 3)*

# 2



### Your Challenge:

Develop a totally new and exciting **different brand of bottled water!**

*(See more on page 4)*

# 3



### Your Challenge:

Design an **innovative tablet or smartphone app** that connects small businesses and young entrepreneurs from around the world.

*(See more on page 5)*

# 4

## Pitney Bowes Foundation

### Your Challenge:

Create an app that helps young people **find or become mentors for others in their community.**

*(See more on page 6)*

# 5

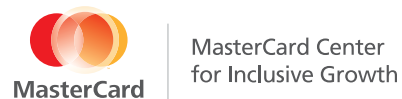


### Your Challenge:

Create a unique **tablet or smartphone app** that promotes **volunteerism** and converts energy into action within your community.

*(See more on page 7)*

# 6



### Your Challenge:

Create a product that allows **small business owners to accept payments in a safe and secure way.**

*(See more on page 8)*

See the **Submission Form Worksheet** at the end of this document for teams to use in preparation for their online submissions at [www.nfte.com/innovation](http://www.nfte.com/innovation).

# 1 — Microsoft Corporation

## Overview - School Improvement App Challenge



<b>The Challenge:</b>	<p>Build a cool tool for your school! Design an engaging tablet or smart phone app that addresses an important issue or improves community relations at your school.</p> <p>Design a tablet or smartphone app that can be used by students to help them be more effective in school or deal with common student or school issues. The app should be quickly learned and useful to middle to high-school students.</p> <p>Apps can include any or all of these capabilities: text or simple graphics, touch interface, local data storage, geolocation services (GPS), and Internet access.</p>
<b>Innovation theme ideas:</b>	<ul style="list-style-type: none"> <li>• Making friends and building the school community</li> <li>• Managing school and class schedules</li> <li>• Dealing with bullying</li> <li>• Improving the school grounds (cleaning it, building new features)</li> <li>• Improving school safety</li> <li>• Helping students and schools protect and improve the environment</li> <li>• Help students get and stay healthy</li> <li>• Simple learning apps—helping students learn subjects (math, geography, science, history)</li> </ul>
<b>Background:</b>	<p>Both the mobile phone market and the tablet market have recently experienced explosive growth that is expected to accelerate over the next several years. Microsoft has built our company by providing platforms for innovative software designers and developers, and we recognize the incredible opportunity that the mobile market presents to new innovators and entrepreneurs.</p> <p>The market for tablet and smartphone apps and games is especially exciting because the barrier to entry is relatively small, yet the potential customer reach is great. This means that a great idea supported by the right, dedicated people has a very good chance for success, even without much financial investment.</p>
<b>Relevant links:</b>	<p>Go online to <a href="http://www.nfte.com/innovation">www.nfte.com/innovation</a> to access links and resources!</p>



## 2 — The Coca-Cola Company

### Overview - Bottled Water Challenge



**The Challenge:** Do good and do well! Develop a totally new and exciting different brand of bottled water!

Water - most of us take it for granted. But have you ever taken a moment to stop and think just how important water is to you? For the human body, water is truly a vital resource. You can go weeks without food but only 5-7 days without water. When the water in your body is reduced by just 1 percent, you become thirsty. At 5 percent, muscle strength and endurance declines significantly and you become hot and tired. When the loss reaches 10 percent, delirium and blurred vision occur. A 20 percent reduction results in death.

So while water provides consumers essential hydration to live a full and active life, and the bottled water category continues to grow year after year, water can feel boring. We are told to get 8 glasses a day, but this is “work” for many. Therefore, consumers in recent years have sought out different variations of water that provide them not only the critical nutrients, but also great taste and variation.

**Innovation theme ideas:** INNOVATION & MEET THE CHALLENGE: Design an innovative beverage that provides consumers with a different experience from water that they may have purchased in the past (give us the name, tell us how the water looks, tastes, and smells, explain how it works, design the packaging, and set the selling price).

MARKET OPPORTUNITY & CUSTOMER PROFILE: Describe your marketing campaign to explain why consumers would want to buy this product. What makes it special, different, and unique? KEEP IN MIND: for brands to be successful, they must bridge the gap between what the customer expects and what the product/brand actually delivers.

EXTRA CREDIT: in the MEET THE CHALLENGE section, you’ll get extra credit if you can provide estimates on how much your beverage will sell each month in the first year after launch. Do a little research on trends in bottled water sales, strategies for estimating sales, etc. and use those to guide you!

Potential Questions to ask yourself

1. What concerns of the aging population (50s to 70s) might your product address?
2. What fun multi-cultural flavors might you use to stand out?
3. What trendy ‘healthy living’ ideas could you include in your product?

(continued next page)

## 2 — The Coca-Cola Company

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### Overview - Bottled Water Challenge (continued)



<b>Innovation ideas (cont'd):</b>	<p>Here are some examples of how you could use key trends in beverages in helping design your product:</p> <ul style="list-style-type: none"> <li>• <b>Refreshment with a twist</b> – taking the familiar in new areas either through unique ingredients and or flavors like spicy or vinegar. This can also be brought to life through blends of known categories: bubbles and water (e.g. seltzer), energy and water, or vitamins and water</li> <li>• <b>Better hydration</b> – enhancing hydration be either getting folks to drink more via great taste, or more functionality - higher alkaline or unique filtration. Plant based waters like coconut water, aloe water, birch tree water, and artichoke waters are all leveraging unique tastes in a different format to attract consumers to drink more.</li> </ul>
<b>Background:</b>	Coca-Cola's Venturing & Emerging Brands (VEB) Group was created with an ambitious purpose: to find and develop the next generation of brands with billion-dollar potential.
<b>Relevant links:</b>	Go online to <a href="http://www.nfte.com/innovation">www.nfte.com/innovation</a> to acces links and resources!

## 3 — GoDaddy

### Overview - Business Builder Challenge



**The Challenge:** Go Big with GoDaddy! Design an innovative tablet or smart phone app that connects small business owners with information and resources to help get them started, learn best practices and connect with other small business owners.

Design a fun and exciting tablet or smartphone app that small business owners and young entrepreneurs can use to connect with and support one another. It should be easy to use and learn.

Your app should enable businesses to search for and find, rank and store information about building a business from existing blogs, articles, and other resources, as well as the functionality to share best practices, failures, advice and anything related to starting a small business.

Apps can include any or all of these capabilities: text or simple graphics, touch interface, local data storage, geolocation services (GPS), and Internet access.

- Innovation theme ideas:**
- Suggested search topics and keywords
  - A ranking system for the advice gathered
  - Link to email or twitter from experts
  - Access to business services or classes
  - Links to industry analytics
  - Links to basic legal and financial information

**Background:** GoDaddy's vision is to radically shift the global economy toward small business by empowering people to easily start, confidently grow and successfully run their own ventures.

Nearly as old as the Internet itself, GoDaddy was born to give people an easy, affordable way to get their ideas online. Today, we are the world's largest domain name registrar, with more than 12 million customers around the world, but our goal is much the same. We're here to help people easily start, confidently grow and successfully run their own ventures. In short, to help them succeed, online and off!

**Relevant links:** Go online to [www.nfte.com/innovation](http://www.nfte.com/innovation) to access links and resources!

## 4 — Pitney Bowes Foundation

### Overview - Mentor Momentum Challenge

## Pitney Bowes Foundation

**The Challenge:** Create an app that helps young people find or become mentors for others in their community!

Everyone you meet has at least one skill that they're proud of: maybe they're a great soccer goalie, or an experienced baby-sitter, or fantastic at online research?

Everyone also has something they need to learn or want to improve: maybe they want to build a baby-sitting business, or want to get better at writing research papers, or they want to block more shots on goal?

**Innovation theme ideas:** Peers are people who are equal to each other in respect to age, education, social class, or some other measure. Peer mentoring usually takes place between one person who has lived through a specific experience (mentor) and a person who is new to that experience (the mentee). An example would be an experienced student being a peer mentor to a new student, to help them navigate a new school. The peer mentor may challenge the mentee with new ideas, and encourage the mentee to move beyond the things that are most comfortable. Most peer mentors are picked for their sensibility, confidence, social skills and reliability.

Your app is meant to help young people like this find each other, and facilitate peer mentoring within their community. It should at least allow people to register as mentors or mentees, help them figure out their skills or needs, and help them match up. What other features can you imagine would be helpful? Is there a rating system, or a geo-location feature, or an age limit, or a safety feature, or something else you can incorporate? Get creative!

NOTE: Yes, there are already peer mentoring software and programs in the marketplace. Don't forget to show how YOUR app is different from those resources!

**Background:** Pitney Bowes (NYSE:PBI) is a global technology company offering innovative products and solutions that enable commerce in the areas of customer information management, location intelligence, customer engagement, shipping and mailing, and global ecommerce. More than 1.5 million clients in approximately 100 countries around the world rely on products, solutions and services from Pitney Bowes.

At Pitney Bowes we also have a strong history of giving back to our communities, and, in particular, we are proud to support education which is the foundation of all innovation.

**Relevant links:** Go online to [www.nfte.com/innovation](http://www.nfte.com/innovation) to access links and resources!

## 5 — International Federation of Red Cross & Red Crescent Societies

### Overview - Volunteer for Change Challenge



**The Challenge:** Convert your energy into impact! Create a unique tablet or smart phone app. that promotes volunteerism for a more caring society and a better world.

Develop an app for a smart phone/tablet to encourage people of all ages in your community to volunteer – focus on new technologies for online and micro-volunteering.

Micro-volunteering is a form of virtual volunteering: a task done by a volunteer, or a team of volunteers, either online via an internet-connected device, including smartphones, or offline in small increments of time. It typically takes only minutes or a few hours to complete, and does not require an ongoing commitment by the volunteer.

#### Innovation theme ideas:

- Get engaged in online and micro-volunteering opportunities
- Cooperate inter-generationally
- Link new technology to their entrepreneurial project ideas
- Cooperate with possible partners on a local, national and regional level
- Include a variety of different groups, especially remembering those who are not connected to internet
- Develop and provide training opportunities in soft skills like: confidence building, empathy, communication, critical thinking, teamwork, understanding of contexts, achieving results, and managing oneself in a changing environment.
- Find new ways to use their individual talents to improve their home communities

**Background:** The IFRC is the world’s largest volunteer based humanitarian network, working in communities all over the world. In 2014 we still attract an impressive number of volunteers, currently estimated at 17 million people. However it is very clear that volunteering will be different in the future. We are already seeing important changes: volunteers have diverse motivations, are harder to retain; communities are more diverse and their challenges more complex.

Key issues include: Globalization, technology and direct action; Online engagement; Education and training; Leadership development

Volunteering will always be crucial for a well-functioning society, not only to benefit the community but also as an attitude and mind-set for citizens of all ages.

**Relevant links:** Go online to [www.nfte.com/innovation](http://www.nfte.com/innovation) to access links and resources!

## 6 — MasterCard Center for Inclusive Growth

### Overview - Safe & Secure Digital Payments Challenge



MasterCard Center  
for Inclusive Growth

**The Challenge:** Design a product that allows small business owners to accept payments in a “safe and secure” way.

Cash is a real problem – it’s inconvenient and opens the economy to corruption and crime. Electronic payments, such as EMV chip-cards or Apple and Android pay, allow customers to pay with their cell-phones, reduce vulnerabilities by providing cardholders many added layers of security. However not all small business owners are able to accept these forms of payments. Your challenge is to help these small business owners accept payments in a safe, simple and smart way.

In addition, your product must also provide added services that will enable small business owners to have peace of mind. Small business owners often need to monitor revenue, transfer money and pay bills, to name a few. Does your solution offer them such features? And above all, is your solution keeping sensitive information, such as cardholder’s info, safe?

**Innovation theme ideas:** Consider the tools MasterCard currently works with, then think outside the box and develop something creative and new!

<p><b>Digital Enablement Services</b> for EMV Chip and cloud-based payments (<a href="http://newsroom.mastercard.com/2014/09/10/mastercard-digital-enablement-service-mdes-making-digital-payments-happen/">http://newsroom.mastercard.com/2014/09/10/mastercard-digital-enablement-service-mdes-making-digital-payments-happen/</a>)</p>	<p><b>SecureCode Screens</b> for online shopping (<a href="http://newsroom.mastercard.com/2015/07/30/security-matters-a-new-roadmap-for-authentication-in-europe/">http://newsroom.mastercard.com/2015/07/30/security-matters-a-new-roadmap-for-authentication-in-europe/</a>)</p>
<p><b>Biometric Innovations</b> - Fingerprint, voice, and facial recognition (<a href="http://money.cnn.com/2015/07/01/technology/mastercard-facial-scan/">http://money.cnn.com/2015/07/01/technology/mastercard-facial-scan/</a>)</p>	<p><b>Geolocation Technologies</b> (<a href="http://newsroom.mastercard.com/press-releases/mastercard-and-syniverse-deliver-peace-of-mind-for-mobile-users/">http://newsroom.mastercard.com/press-releases/mastercard-and-syniverse-deliver-peace-of-mind-for-mobile-users/</a>)</p>

**Background:** MasterCard is a technology company in the global payments industry. MasterCard invests in entrepreneurship and believes that young people with an interest in culinary arts can be successful hospitality entrepreneurs.

**Relevant links:** Go online to [www.nfte.com/innovation](http://www.nfte.com/innovation) to access links and resources!

## Submission Form Worksheet

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You may use this form to create a draft of your submission! You will need to register and complete the online submission form at <http://innovation.nfte.com> before November 17, 2015.

<b>Team Leader First Name</b>	_____
<b>Team Leader Last Name</b>	_____
<b>Email Address</b>	_____
<b>Phone Number</b>	_____
<b>School/Organization Name</b>	_____
<b>Mailing Address</b>	_____
<b>City &amp; State/Province/Region</b>	_____
<b>Country</b>	_____
<b>Team Member 1 First Name</b>	_____
<b>Team Member 1 Last Name</b>	_____
<b>Email Address</b>	_____
<b>Date of Birth</b>	_____
<b>Team Member 2 First Name</b>	_____
<b>Team Member 2 Last Name</b>	_____
<b>Email Address</b>	_____
<b>Date of Birth</b>	_____

*(You may have up to five team members, and you'll need to provide this information for all other team members too.)*

## Submission Form Worksheet (continued)

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**Our Team Name:** \_\_\_\_\_  
**Our Product/Service Name:** \_\_\_\_\_

- 1. Our Innovation:** Describe your business in 250 words or less. How would your product or service work? How would a customer use it and benefit from it? Be clear, crisp and creative! (250 word limit)

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- 2. Meet Your Challenge:** How does your business idea address the issue defined in the innovation challenge? What makes it especially innovative? (250 word limit).

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Now describe that with 3 adjectives:

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- 3. Define Your Market:** How will your product or service solve an existing problem or fulfill a need that is not being met by other products or services? Why is your idea better? (250 word limit)

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How is your idea different? You'll be asked to upload up to 3 competitors' logos or names and type a few words about how your product/service is different/better. (for example: Less Expensive, Better Quality, More Selection) (10 word limit per description)

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## Submission Form Worksheet (continued)

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4. **Identify Your Customer:** Our target customer age is (define a low and high end of the range, between 0 and 100):

0 \_\_\_\_\_ 100

Our target customer gender is \_\_\_\_\_% Male and \_\_\_\_\_% Female

Our target customer demographic is (select 1) Urban / Suburban / Rural / Global

Describe the behaviors, interests, beliefs, lifestyle and personality of your customer. Why would the person you described above be interested in purchasing your product or service? (100 words)

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5. **Tell Your Story:** Here's your chance to tell and sell your story! Please upload up to 5 images of a storyboard for a 60-second commercial for your innovation. For submission, each image should be at least 400px or 6 inches wide, and uploaded separately. We also ask you to craft a script for your 60 second commercial. Be creative! Convince us that your innovation is worth buying! Good luck (200 word limit)

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The World Series of Innovation Toolkit includes tools and instructions for creating your storyboard, so please refer to it before you begin!

If you are ready to submit your completed commercial video at the time of submission, you can do that by uploading the URL to your video at YouTube or Vimeo. Other links will not be accepted.

***Please note: those teams whose submissions make it to the top 10 of their challenge category will be contacted in December, and requested to create a 60-second commercial video based on the storyboard they provided by early January.***

Submissions must be completed at <http://innovation.nfte.com>  
by 5:00pm local time on **November 17, 2015**.

*Please feel free to use extra pages when creating your draft!*

CHAPTER

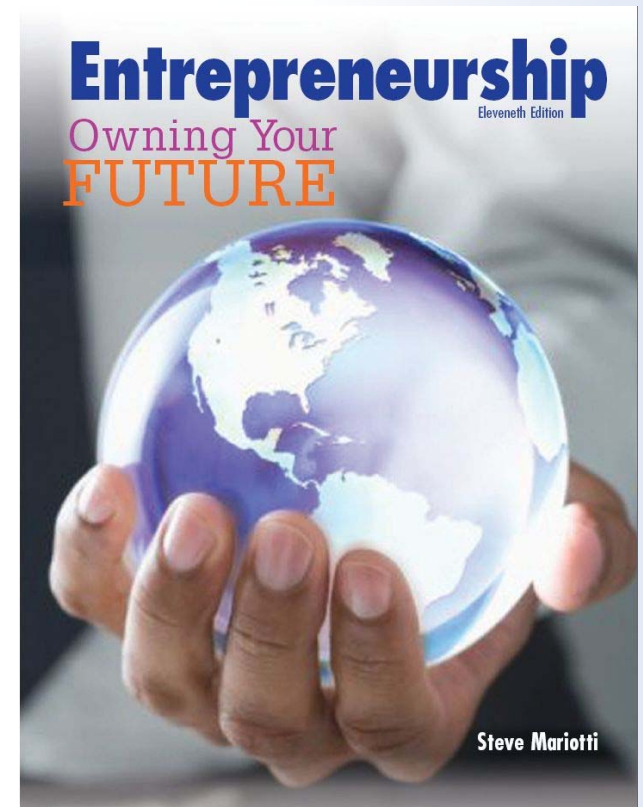
# 1

# Introduction to Entrepreneurship

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Section **1.1** What Is  
Entrepreneurship?

Section **1.2** Characteristics of an  
Entrepreneur



# What Is Entrepreneurship?

## OBJECTIVES

- Define what it means to be an entrepreneur
- Compare the pros and cons of being an entrepreneur
- Identify successful entrepreneurs and their achievements

# What Is an Entrepreneur?

Someone who creates and runs a business is called an **entrepreneur**.

- When an entrepreneur starts a new business, risk is involved. *Risk* is the chance of losing something.
- Because employees work for someone else and entrepreneurs work for themselves, entrepreneurs risk more than employees.
- Small firms employ about half of the U.S. private work force, and they create around 64 percent of all new jobs.
- One way you can gain a sense of what business is like is by investigating an internship, or apprenticeship.

# Why Be an Entrepreneur?

The biggest reward of becoming an entrepreneur is the personal satisfaction that comes from having the freedom to make your own business decisions and then act on them.

- **Making Your Own Rules.** When you own a business, you get to be your own boss.
- **Doing Work You Enjoy.** Since the majority of most peoples' lives is spent working, why not spend that time doing something you enjoy?
- **Creating Greater Wealth.** There's no limit to what an entrepreneur can make.
- **Helping Your Community.** Being an entrepreneur lets you make your community and world a better place.

# Risks of Being an Entrepreneur

- **Potential Business Failure.** Being fully responsible means the success or failure of your business rests on you.
- **Unexpected Obstacles.** Problems can happen that you don't expect.
- **Financial Insecurity.** Many new businesses don't make much money in the beginning, so you may not always be able to pay yourself.
- **Long Hours and Hard Work.** It's not unusual for entrepreneurs to work a lot of extra hours to make their businesses successful. This is especially true during the initial start-up process.

# Entrepreneurship in History

Here are some well-known entrepreneurs who changed the world. For what is each entrepreneur most famous?

- Thomas Edison
- P.T. Barnum
- William Harley & Arthur Davidson
- Maggie Lena Walker
- Ingvar Kamprad
- Stephen Wozniak and Steve Jobs
- Russell Simmons
- Dinah Mohajer

# 1.2

## Characteristics of an Entrepreneur

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### OBJECTIVES

- Describe who becomes an entrepreneur
- List the key characteristics of an entrepreneur
- Explore ways to build your business potential
- Explain the value of learning about entrepreneurship



# Who Are Entrepreneurs?

Highlights from the most recent U.S. Census Bureau survey:

- 64 percent of business owners had some college education when they started the business.
- More than 60 percent of the business owners used money of their own, or from their families, to start or buy the business.
- Slightly more than half of the business owners who had employees worked overtime (over 40 hours a week).
- About a third of the business owners were over 55 years old, 29 percent were between 45 and 54, 24 percent were between 35 and 44, 12 percent were between 25 and 34, and 2 percent were under 25.

# Characteristics of Successful Entrepreneurs

**Self-assessment**—evaluating your strengths and weaknesses—is an important part of becoming an entrepreneur.

- An **aptitude** is a natural ability to do a particular type of work or activity well.
- An **attitude** is a way of viewing or thinking about something that affects how you feel about it. Entrepreneurs tend to be people with positive attitudes.

# Characteristics of Successful Entrepreneurs

## Personal Characteristics

- Courage
- Creativity
- Curiosity
- Determination
- Discipline
- Empathy
- Enthusiasm
- Flexibility
- Honesty
- Patience
- Responsibility

## Skills

A **skill** is an ability that's learned through training and practice.

- Business Skill
- Communication Skill
- Computer Skill
- Decision-Making and Problem-Solving Skills
- Mathematical Skill
- Organizational Skill
- People Skills

# Increasing Your Potential

Increase your business and entrepreneurial potential by focusing on six specific areas.

- **Business Knowledge.** Reading magazine and newspaper articles, search the Internet, and talk to business owners.
- **Financial Skills.** Strengthen your math skills.
- **Career Exploration.** Evaluate your strengths and weaknesses, explore careers interest you.
- **Community Awareness.** Look for volunteering opportunities and find out if any companies in your area provide internship programs.
- **Education.** Obtaining a good education benefits you personally and open doors to more career opportunities.
- **Relationships.** Spend time with people who believe in you and inspire you.

# Why Study Entrepreneurship?

There are two primary reasons why studying entrepreneurship makes sense: you learn to think like an entrepreneur and you develop a vision for your life.

develop a vision for your life

Think like an entrepreneur when you are an employee:

- **Observe.** Seek out opportunities to learn new skills and accept new responsibilities.
- **Listen.** Pay attention to what others have to say.

- **Think.** Don't complain about a problem—analyze it and suggest possible solutions.

Learning about entrepreneurship often inspires people to develop a **vision** for their life.

# Opportunity Recognition

Section **6.1** What Is a Business Plan?

Section **6.2** What Is a Business Opportunity?



## What Is a Business Plan?

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### OBJECTIVES

- Explain the purpose of a business plan
- Describe the types of business plans
- Identify the parts of a business plan
- Understand how to put together a business plan



# Purpose of a Business Plan

A **business plan** is a statement of your business goals, the reasons you think these goals can be met, and how you are going to achieve them.

- A business plan forces you to figure out how to make your business work.
- A well-written plan guides you every step of the way as you develop your business—It becomes a decision-making tool.
- If your company is for-profit, your business plan will typically focus on your financial goals. If you are a nonprofit, your plan will typically focus on your mission and services in support of that mission.



# Types of Business Plans

There are four main types of plans for a start-up business:

- **Quick Summary.** This is a brief synopsis lasting no more than thirty seconds to three minutes. It's used to interest potential investors, customers, or strategic partners.
- **Oral Presentation.** This is a relatively short, colorful, and entertaining slide show with a running narrative meant to interest potential investors in reading the detailed business plan.
- **Investor's Business Plan.** A detailed business plan is well written and formatted so that anyone who plans to invest in your start-up business will know exactly what you are planning.
- **Operational Business Plan.** This is an operational plan that is meant for use within the business only. This plan describes in greater detail than the investor's business plan how the company will meet its goals.

# The Three C's

Although there is no set format for a business plan, each type of plan will address the Three C's.

- **Concept.** What is your product or service and how is it different from similar products or services?
- **Customer.** Who will be buying your product or service and why?
- **Capital.** How will you locate the initial money your business will need? What will be your costs and what kind of profit can you expect?

**Note:** Investors are busy people and don't have time to read an overly long business plan. Your plan, including the financials, should be no longer than 20 typed pages, requiring no more than an hour of reading time.

# Parts of a Business Plan

Most business plans will include these seven parts:

- **Product or Service.** Explain the product or service and talk about its benefits to the customer and its competitive advantage.
- **Market Analysis.** Describe the primary market, its size, its trends and characteristics, and its growth rate.
- **Marketing & Sales Strategy.** Explain your strategy for market penetration, your channels of distribution, and your pricing strategy.
- **Company Description.** Describe the nature of the business and its primary success factors.
- **Organization & Management.** Discuss the organizational structure of the company and provide ownership information.
- **Plan for Growth.** Explain your plans to grow the business.
- **Financials.** Show any historical financial data, as well as projected figures (typically extending for five years).

# Putting Your Plan Together

## Executive Summary

To ensure that investors understand the key points of your idea, the plan should include an **executive summary**, a one- or two-page summary of highlights, including the key selling points of the investment opportunity.

- Business name
- Mission Statement
- Date business began or will begin
- Names of founders and functions they perform
- Product(s) manufactured or service(s) rendered
- Economics of one unit
- Summary of management's future plans

# Standard Business Plan

Part of Business Plan	Section of Book	Key Question
<b>Business Idea</b>	1.2	What skills do I have to start this business?
	2.1	What factors will influence the demand for my product or service?
	3.1	What type of business will I start?
	3.2	What type of business ownership is right for me?
	5.2	How is my business socially responsible?
<b>Opportunity &amp; Market Analysis</b>	6.2	Is my idea for a business a real business opportunity?
	7.1	How should I conduct market research?
	7.2	Who are my competitors?
	7.2	What is my competitive advantage?
	8.1	What is my marketing plan?
	8.1	What are my product and pricing strategies?
	8.2	How do I promote my product?
	9.1	How do I sell my product?
<b>Financial Strategies</b>	9.2	How do I estimate sales?
	10.1	What are my business costs?
	10.2	How do I measure the economics of one unit?
	11.1	How do I develop an income statement and track cash flow?
	11.2	How do I develop a balance sheet?
	12.1	Are my financial ratios good?
	12.2	What is my break even point?
	13.1	What types of financing are available?
	13.2	Should I obtain financing?
	14.1	How do I keep financial ratios?
14.2	What kind of accounting system should I use?	

# Advanced Business Plan

Part of Business Plan	Section of Book	Key Question
<b>Organizational Structures</b>	15.1	What organizational structure is right for my business?
	15.1	How should I staff my business?
	15.1	Do I need the help of outside experts?
	15.2	How do I train and motivate employees?
	16.1	Does my product involve intellectual property rights?
<b>Legal Structures</b>	16.1	What contracts will my business require?
	16.2	How will I protect my business by using insurance?
	17.1	How will taxes affect my business?
	17.2	How will government regulations affect my business?
	17.2	How will government regulations affect employees?
<b>Business Management</b>	18.1	How will I manage my business?
	18.2	How do I manage expenses, credit and cash flow?
	19.1	How do I manage production and distribution?
	19.2	How will I manage my operations?
	20.1	How do I manage purchasing?
	20.2	How do I manage inventory?
<b>Plan for Growth</b>	21.1	How can I plan for business growth?
	21.2	What are the challenges of growth?
	22.1	Can I franchise or license my business?
	22.2	When and how should I leave my business?

# What Is a Business Opportunity?

## OBJECTIVES

- Identify ways to recognize business opportunities
- Explain how to use creative thinking to generate ideas
- Compare various types of business opportunities
- Describe methods used to evaluate business opportunities

# Sources of Opportunity

A **business opportunity** is a consumer need or want that can potentially be met by a new business.

Sources of opportunities include:

- **Problems.** Many well-known companies were started because an entrepreneur wanted to solve a problem.
- **Changes.** Our world is continually changing. Change often produces needs or wants that no one is currently meeting.
- **New Discoveries.** The creation of totally new products and services can happen by accident.
- **Existing Products and Services.** You can get ideas for opportunities from businesses that already exist by looking for ways to improve a product significantly.
- **Unique Knowledge.** Entrepreneurs sometimes turn one-of-a-kind experiences or uncommon knowledge into a product or service that benefits others.



# Thinking Creatively

**Creative thinking** is a thought process that involves looking at a situation or object in new ways.

- **Challenge the Usual.** Ask lots of “Why?” and “What if?” questions.
- **Think Backward.** Start by imagining the end result you want.
- **Be Flexible.** Force yourself to examine things from different angles.
- **Judge Later.** When brainstorming ideas, don’t worry about being practical.
- **Draw Idea Maps.** Use whiteboards, chalkboards, and poster boards to sketch out ideas.
- **Brainstorm in a Group.** Ask your friends, family, and classmates to help you generate ideas.
- **Daydream.** Letting your mind wander is okay; just make sure you pick an appropriate time.

# Turning Ideas into Opportunities

Four common ways to turn ideas into opportunities are:

- Starting a new business
- Buying an independent business
- Buying a franchise
- Becoming an inventor

# Evaluating an Opportunity

The **feasibility** of an idea refers to how possible or worthwhile it is to pursue it, to see if it is actually an opportunity.

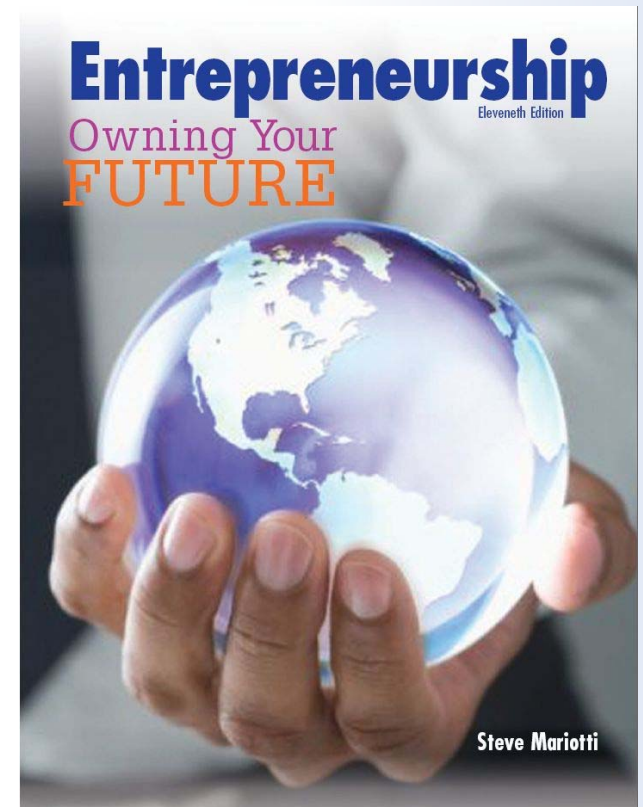
Three methods for determining the feasibility of business ideas are:

- **Cost/benefit analysis.** This is the process of adding up all the expected benefits of an opportunity and subtracting all the expected costs. If the benefits outweigh the costs, the opportunity may be worthwhile.
- **Opportunity-cost analysis.** An opportunity-cost analysis examines the potential benefits that you forfeit when you choose one course of action over others.
- **SWOT analysis.** This is a business evaluation method that draws its name from the four areas it evaluates—**S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats.

# Marketing Your Product

Section **8.1** Developing Your Marketing Mix

Section **8.2** Promoting Your Product



# 8.1

## Developing Your Marketing Mix

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### OBJECTIVES

- Summarize the basic principles of promotion
- Define the elements in a promotional mix
- Examine what's included in a promotional plan
- Discuss ways to budget for promotion

# What Is a Marketing Plan?

**Marketing** is a way of presenting your business to your customers. To communicate the value of your product or service clearly, you create a **marketing plan**.

- Every marketing plan is unique because each business has its own **marketing goals**.
  - ◆ Marketing goals require a time frame: short, mid, and long-range goals.
  - ◆ Marketing goals should also account for motive, consistency, and cost.
- Another marketing goal is **market share**, which is the percentage of a given market population that is buying a product or service from a particular business.

# What Is a Marketing Plan?

- Every marketing plan has five main *strategy* areas, sometimes referred to as the “**Five P’s**.” How a company chooses to combine these areas is called its **marketing mix**.
  - ♦ People
  - ♦ Product
  - ♦ Place
  - ♦ Price
  - ♦ Promotion
- The process you use to make potential customers aware of your product or service and to influence them to buy it is referred to as **promotion**.

# Determining People and Product Strategies

- The **features** of a product are what it does and how it appears to the senses.
- The **benefits** of a product are the reasons customers choose to buy it.
- The combination of products a business sells is called its **product mix**.
- A **brand** is a marketing strategy that can create an emotional attachment to your product in the mind of the consumer. A logo, or brand mark, can also be used.
- The process of creating a strong image in the mind of the consumer is called **product positioning**.



# Determining Place (Distribution) Strategies

**Distribution channels** are the various ways that a product can reach the consumer.

- A **direct channel** is a pathway in which a product goes from the producer straight to the consumer.
- An **indirect channel** is a pathway in which the product goes from the producer to one or more intermediaries before it reaches the consumer.
- Three distribution strategies are:
  - ♦ **Exclusive distribution** gives a specific retailer, or authorized dealer, the sole right to sell a product in a particular geographical area.
  - ♦ **Intensive distribution** seeks to make a product available at as many sales outlets as possible.
  - ♦ **Selective distribution** allows a product to be sold at a moderate number of sales outlets, but not everywhere, in a geographical area.

# Developing Price Strategies

Base the price of your product on two things: your target market and the potential profits for your company.

- When deciding price objectives, keep in mind your overall business plan goals, your marketing or brand goals, and what your target market can afford to pay.
- Following are a few samples of price objectives:
  - ◆ Build or Maintain an Image
  - ◆ Increase Sales Volume (Quantity)
  - ◆ Obtain or Expand a Market Share
  - ◆ Maximize Profits

# Selecting a Basic Pricing Strategy

- There are three basic pricing strategies:
  - ♦ **Demand-Based Pricing.** This method focuses on consumer demand—how much customers are willing to pay for a product.
  - ♦ **Competition-Based Pricing.** This method focuses on what the competition charges.
  - ♦ **Cost-Based Pricing.** This method sets a product's price based on what it costs your business to provide it.

# Allowing for Price Adjustments

When a retail store buys a product from a wholesaler, they add an additional amount to the wholesale cost to make a profit. This results in a **markup price**.

$$\text{Wholesale Cost} \times \text{Markup Percentage}/100 = \text{Markup Amount}$$
$$\text{Wholesale Cost} + \text{Markup Amount} = \text{Markup Price (Retail Price)}$$

A **markdown price** is set when a retailer wants to reduce the price of a product.

$$\text{Retail Price} \times \text{Markdown Percentage}/100 = \text{Markdown Amount}$$
$$\text{Retail Price} - \text{Markdown Amount} = \text{Markdown Price ("Sale" Price)}$$

# Promoting Your Product

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## OBJECTIVES

- Summarize the basic principles of promotion
- Define the elements in a promotional mix
- Examine what's included in a promotional plan
- Discuss ways to budget for promotion

# Principles of Promotion

**AIDA** is a communication model used by companies to plan, create, and manage their promotions. AIDA stands for:

1. **Attention.** The first step when introducing a new product to a market is to grab the attention of potential customers.
2. **Interest.** After you get people's attention, you want to keep it. To hold consumer interest, you need to focus your message on the product's features and benefits.
3. **Desire.** What can you do to make your product desirable?
4. **Action.** Ask consumers to take action, to buy. You may also want to give them a reason to act right away.

# Choosing a Promotional Mix

The combination of promotional elements that a business chooses is called a **promotional mix**.

- The goals of a promotional mix are to build a favorable awareness about your product and business, and to influence people to buy your product.
- The six elements of a promotional mix are:
  - ◆ Advertising
  - ◆ Visual merchandising
  - ◆ Public relations (PR)
  - ◆ Publicity
  - ◆ Personal selling
  - ◆ Sales promotion

# Forms of Advertising

Advertising uses various media, or communication channels, to send promotional messages to potential customers.

- Six of the most common types of advertising are:
  - ◆ Print Advertising
  - ◆ Direct Mail
  - ◆ Radio and Television
  - ◆ Product Placement
  - ◆ Internet
  - ◆ Outdoor Advertising
- How you visually present and physically position your products is also an important part of promotion.



# Public Relations and Publicity

Companies have public relations (PR) departments to help build and maintain a positive image. Examples of activities and tools used to get publicity include:

- **News Articles and Announcements.** The PR staff works to develop good relationships with reporters in the local news media. A **press release** is a written statement that typically consists of several paragraphs of factual information about a product or business.
- **Community Events.** Sponsoring an event that promotes a good cause can create favorable publicity.
- **Contests.** Contests help create excitement about your product or business by offering prizes to winners.

# Personal Selling, Sales Promotion, and 360° Marketing

- Sales staff meet and talk with customers person-to-person-person on a daily basis.
- **Telemarketing** involves promoting or selling products or services over the telephone.
- Salespeople also use networking to find new customers and promote products. **Networking** is meeting new people through current friends and business contacts.
- A new approach to marketing, called **360° marketing**, encourages you to communicate with your prospects and customers from all directions; it blends low-tech and high-tech methods to deliver your message to customers in as many ways as possible.

# Developing a Promotional Plan

- A promotional plan for a new business must consider:
  1. What promotions are needed before the business is opened?
  2. What promotional adjustments will need to be made when the new business is launched?
  3. What ongoing promotional strategies are needed?
- A **promotional campaign** is a group of specific promotional activities built around a particular theme or goal.
- A promotional plan must include ways to track responses that result from specific types of promotion.

# Budgeting for Promotion

- Your budget for promotion will be determined by:
  - ◆ Your business industry
  - ◆ The strength of your competition
  - ◆ Which media best reaches your target audience
  - ◆ The funds you have available
- If your promotional budget is low, here are some ways to keep costs down:
  - ◆ **Swapping Services.** A **trade-out** is a bartering practice whereby you trade your company's products or services for air time on a radio station.
  - ◆ **Cooperative Advertising.** When two companies share the cost of advertising, it is called **cooperative advertising**.
  - ◆ **Testimonials and Endorsements.** If customers, news sources, or organizations praise your products or services, ask if you can quote them in brochures or catalogs or on your Website.