THE BIZ PLAYBOOK

a taste of entrepreneurship

thebizplaybook.com

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a taste of entrepreneurship

Do your students have a brilliant idea that might change the world?

We'll show you how to:

- identify your 'thing'
- deal with pressure and strategic planning
- develop a brand
- create a financial and marketing plan
- find the right partners
- learn from your mistakes
- use risk to your advantage

The DVD provided contains 7 x 5-minute video lessons to be used with the handouts.

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Introducing
THE BIZ PLAYBOOK

A free course designed to help young people become entrepreneurs, brought to you by Flinders University and Flinders Partners.

Each unit provides unique insights into the mindset of successful entrepreneurs, including **Maggie Beer, Poh Ling Yeow, Marita Cheng** and other local success stories. This course engages students in a series of challenges that results in a viable business plan for their product or service.

This course is ideal for Years 10 and 11 **Business and Enterprise** students, or SACE students seeking a topic for their Research Project.

Unit 1: What's Your Thing?

Key Points

1. Don't forget the thing that made you get interested in to entrepreneurship in the first place.
2. Value your "thing" more than your product or service.
3. Your product may fail, so get back to your "thing" and see what else you can produce.

Defining Your Product or Service

Have you ever had a thought 'that's so easy why didn't I think of that?' This is where entrepreneurship begins, with just one simple idea. Isn't it obvious when someone shows us how? But the difficult part is coming up with the idea in the first place.

Let's take Coca Cola for an example... in the late 1800's a chemist by the name of Dr Pemberton invented a liquid drink with cola flavouring. It was meant to be a tonic for people with a sluggish appetite. He showed the product to an associate who simply "carbonated" the drink and the rest is history.

So when you sit and think and ideas come in and out of your head, write them down... it doesn't matter how silly the idea may seem... it may just be the next big thing.

Task 1: Brainstorming

1. Gather as many ideas as possible no matter how crazy they seem.
2. Write down your thoughts and ideas as soon as they come up.
3. Sift through the ideas for the good ones.
4. Once you have exhausted your ideas, begin to consider the practicality of your ideas.

Task 2: Determining Customer Demand

Now cross check your ideas with the following requirements:

1. Your product or service must have DESIRABLE ATTRIBUTES.
2. Your product or service must be UNIQUE.
3. Your product or service must deliver customer VALUE: why would someone want to buy it?

Task 3: Your Statement

Describe your idea in one short sentence.

Unit 2: Hard work - Your Mission and Vision

Key Points

1. You need a clear Mission and Vision for your product or service.
2. You must develop a **point of difference.**
3. You need to establish your **competitive advantage.**

Creating a Mission Statement and Strategic Planning

Now that you have an idea to work with, you need to think what your idea means to your potential market. Your Mission Statement should outline your philosophy of what your idea means and how it will impact upon your customers. It tells customers just what your aims are and what you are attempting to offer to them.

The next step is to analyse your internal environment by looking at your **strengths and weaknesses.** What is good about your idea and where does it need work?

Now look at the external environment by trying to identify the **threats** to your idea; at the same time look for the **opportunities** that are available to you so that you can achieve your dream.

Task 1: Write Your Mission Statement

In one clear paragraph write down what you promise to deliver your customers that adds value to their life.

Task 2: Strategic Planning Checklist (SWOT Analysis)

1. Analyse your external competitive environment – the threats and opportunities.
2. Analyse your internal operating environment – the strengths and weaknesses.
3. Suggest strategies that build on your strengths and correct your weaknesses.

Unit 3: Intellectual property and branding

Key Points

1. Branding is important - it's who you are.
2. Intellectual property is complex, best to get a product to market, fail fast, then move on.
3. Spreading the word helps you find the right partners.

Branding

You need to give your idea an individual identity that your customers will recognise instantly. To give you some idea of the importance of a brand, think about a product called an "Apple".

This brand is now worth $US676bn after just 30 years. It is now the biggest brand in the world.

The question is why has Apple become so big, so fast? The answer is very simple – they have created a significant point of difference that sets them miles apart from their competitors. Steve Jobs of Apple has managed to deliver superior customer value that is highly sought after.

Your brand will convey a complete understanding of your product to your customers, who will identify just what your product represents to them.

Follow the rules for developing a brand name to guide your progress.

Rules for Developing a Brand Name

- Choose a name that suggests something about your product's values and benefits.
- It should be easy to pronounce, recognise and remember, e.g. iPad.
- Your brand name should be distinctive – e.g. Mercedes.
- Your brand name should be easily translated into other languages.
- Your brand name should be capable of registration and legal protection.

Task: Brainstorming

Write down three potential brand names for your product or service and describe how they relate to your customers.

Unit 4: Shouting Cleverly

Key Points

1. Marketing is expensive ....but vital.
2. Try to define a mutual benefit for marketing partners.
3. Define your target audience and get them shouting for you.

Communicating Your Message

Now that you have a brand, the very next part of the journey is to ask the question: How do I tell my potential customers about my idea?

This is a vital part of the process, because we need to direct our message to people who are more likely to be interested in our idea.

For example, if you had designed a special walking stick, you wouldn't want to waste much time talking to teenagers about it. But you would want to talk to older people and those people rehabilitating from an accident or a medical procedure.

This, in marketing terminology is called, identifying your "demographics".

In the early stages where finances are scarce "word of mouth" is probably the most effective. That is, tell you friends and rely on your friends to talk about your idea. Another very effective way to spread your message may be through "You Tube", think about how Justin Bieber got his start in the music business.

Communication Steps

- Identify your target audience. Who is likely to buy your product/service?
- What is your communication objective? How do you evoke the purchase decision? Is it through awareness, knowledge, liking, or preference?
- Design your message. Is it a rational, emotional or moral message? Is it a combination of all three?
- Choose the media. Will you use social media, traditional advertising or word of mouth?
- Message Source. Who will be the face of your communication: you or a celebrity?

Task: Communication Concept

Your task is to create a communication concept for your product or service based upon the communication steps outlined above.

Unit 5: Marketing Plans and the Right Partners

Key Points

1. The right partners are those people who share your interests.
2. Only when there is mutual value will there be good advice.
3. Look at how others have successfully sold their product before formulating your marketing plan.

Marketing Plan

This is what the plan must contain:

- Your report always begins with an **Executive Summary** which tells briefly what your plan is all about and what it hopes to achieve.
- You need to be in a position of identifying your **customer base**. That is your target audience, the people who are likely to want to buy your product.
- Your **unique selling proposition** that distinguishes your product from others instantly (we talked about that in the branding section)
- Finally how are you going to get your product to market? What is your **distribution plan**? If your plan is via on-line selling how are you going to get your products to your customers?

The 4 P's

Product: your product needs to conform to some sense of reasonableness. You need to think about how appealing your finished product will look to your potential customers.

Price: how much are you going to charge for your product?

Position: do you intend for your product to be in the high end or the low end of the market.

Promotion: How are you going to promote your product to potential customers?

Task: Write Your Marketing Plan

Your task is to create your marketing plan, guided by the marketing plan steps. Set your plan out in the heading given above and write 25 words about each section.

Unit 6: Learning from Mistakes

Key Points

1. There is often no previous pathway therefore mistakes are inevitable.
2. Mistakes are essential for learning.
3. Four ways to deal with mistakes are: time, partnerships, research and revisiting your 'thing'.

Learning from Mistakes means Rediscovering the Passion

From a young age, we are taught not to make mistakes. For many people, mistakes are intolerable. But when you are doing something new – mistakes are inevitable. It's what happens after things go wrong. This is critical – making the most of mistakes sounds bizarre but it's exactly what good entrepreneurs do.

How they do it obviously differs, but they seem to shine a different light on the problem. Good entrepreneurs either see ways around the obstacles in their paths or find new opportunities from what they've learned. Some even say they love making mistakes because then they really think!

Often when you take an idea into the market place it fails. If you learn the right lessons you can rediscover your passion, go back to the 'thing' that made you want to be an entrepreneur and then create a different product that still serves that passion.

Task: Brainstorming

Write down possible setbacks you might face when bringing your product or service to market. Write down three other types of product or service you might be able to create given your strengths and passions.

Unit 7: Risk and Your Financial Plan

Key Points

1. Anticipate and shift risk around to work for your advantage.
2. Hone in on the big risks and don't over-analyse the small ones.
3. Risk can be a source of business advantage.

Think Risk

Risk is a four letter word that, like many four letter words, can be used in despair and in joy! Successful people in this space are great at anticipating and shifting risk around. They also think differently about it and often don't analyse the micro risks too much, as they figure they can juggle these. They rather hone in on the big ones and then get creative about how they can shift them, or work with them to their advantage.

The Financial Plan

There are 4 important sections to your Budget.

1. **The Revenue or Sales** you hope to achieve. (The Selling price per item or SP). This is where you need to start to make an educated assessment of your market and the potential based upon a number of aspects of the market place. How is the current economic climate going to impact upon your potential sales?

2. **Cost of Goods sold.** This is the variable cost of each unit of production or the VC. This is where we consider the cost inputs of getting the product ready for market (e.g cost of packaging, labour, and production).

3. **Business Costs.** These are the costs which all businesses incur in the course of running the business. Some of these costs are accounting costs, bank charges, wages and salaries (not related to producing the product), telephone charges, selling costs, insurance costs, motor vehicle costs and so on.

4. **The Net profit.** This is the difference between the Revenues received from sales and all of the combined costs. The formula is: Sales - COGS - Business Expenses = Net Profit/Loss

You are now ready to complete your 2-Minute Business Proposal

Your Final Task: 2-Minute Business Proposal

You can do this webcam style, with you talking to a camera or use motion graphics, animation, or PowerPoint. It's totally up to you!

Just remember to cover the following things:

1. Idea

State in one simple sentence what makes your idea or service desirable, unique and of value to customers.

2. Strategic Plan and Vision

Describe how you will compete with similar products in the market, what your particular strengths are and how you will build on these strengths and address your weaknesses.

3. Branding and IP

Describe how your product's brand name captures the essence of who you are and what customers want.

4. Communicating Your Message

What will be the essence of your message to your customers?

5. Your Marketing Plan

How will people get to know about your product? What potential partners will you have in getting the word out?

6. Your Financial Plan

What is the likely demand for your product or service, what are your overheads, and what is your break even position?

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