Unit 2

Business Identification & Selection

Avoiding the Ten Taboos –
Ground Rules for Creative Thinking

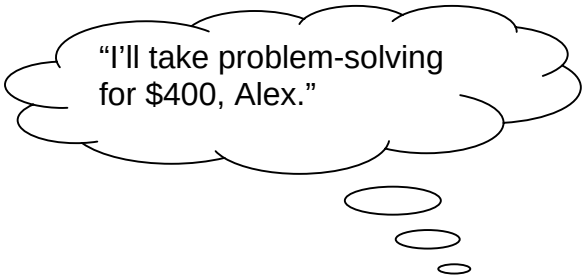
Directions: Below is a list of 10 negative thoughts than can sabotage our creativity. How can you turn these negatives into positive "ground rules" to follow in the upcoming breakthrough thinking exercises?

1. There's one right answer. ➡ 1.
2. Our answers must be logical. ➡ 2.
3. We must follow the rules. ➡ 3.
4. Our ideas must be practical. ➡ 4.
5. Play is frivolous. ➡ 5.
6. That's not my area. ➡ 6.
7. We can't be foolish. ➡ 7.
8. Avoid ambiguity. ➡ 8.
9. To err is wrong. ➡ 9.
10. I'm not creative. ➡ 10.

Source: Adapted from A Whack on the Side of the Head.

Imagination Gone Wild

Directions: Number your page from 1 to __, depending upon your teacher's instructions. Listen carefully as your teacher poses the question. There are NO right or wrong answers. Expand your mind and allow yourself to think creatively as you did when you were 5 years old. Have fun!



"The Jeopardy Effect" (For Defining Problems)

When the Right Questions Produce Winning Answers!

STEPS:

- **Asking journalistic questions to help you pinpoint the cause.**
- **Applying innovative strategies to create ways to solve the problem.**

SAMPLE ISSUE:
Students are cranky in the cafeteria line.

Who? Who is cranky?
People seem to take turns.

What? What is it like when students are cranky?
It' is not fun. The attitude is contagious.

When? When are they cranky?
The last lunch period, usually.

Where? Where are they cranky?
In the cafeteria line.

Why? Why are they cranky?
They don't have enough time to eat and the good stuff is usually gone.

How? How are they cranky?
They're rude to each other.

“The Jeopardy Effect”

Cause: People are cranky the last lunch period of the day because they don’t have enough time to eat and the good food is usually gone!

How do you make people less cranky during the last lunch period?

Solutions:

1.

2.

3.

"Sum of Its Parts"

X + (Y- Z)

STEPS:

1. Identifying the problem/issue
2. Breaking it down into characteristics or elements
3. Listing possibilities for each element
4. Trying various combinations to find possible solutions

SAMPLE ISSUE:

1. What kind of Homecoming party should we have?
2. The elements: time, location, attendees, food, drinks, activities
3. The possibilities:

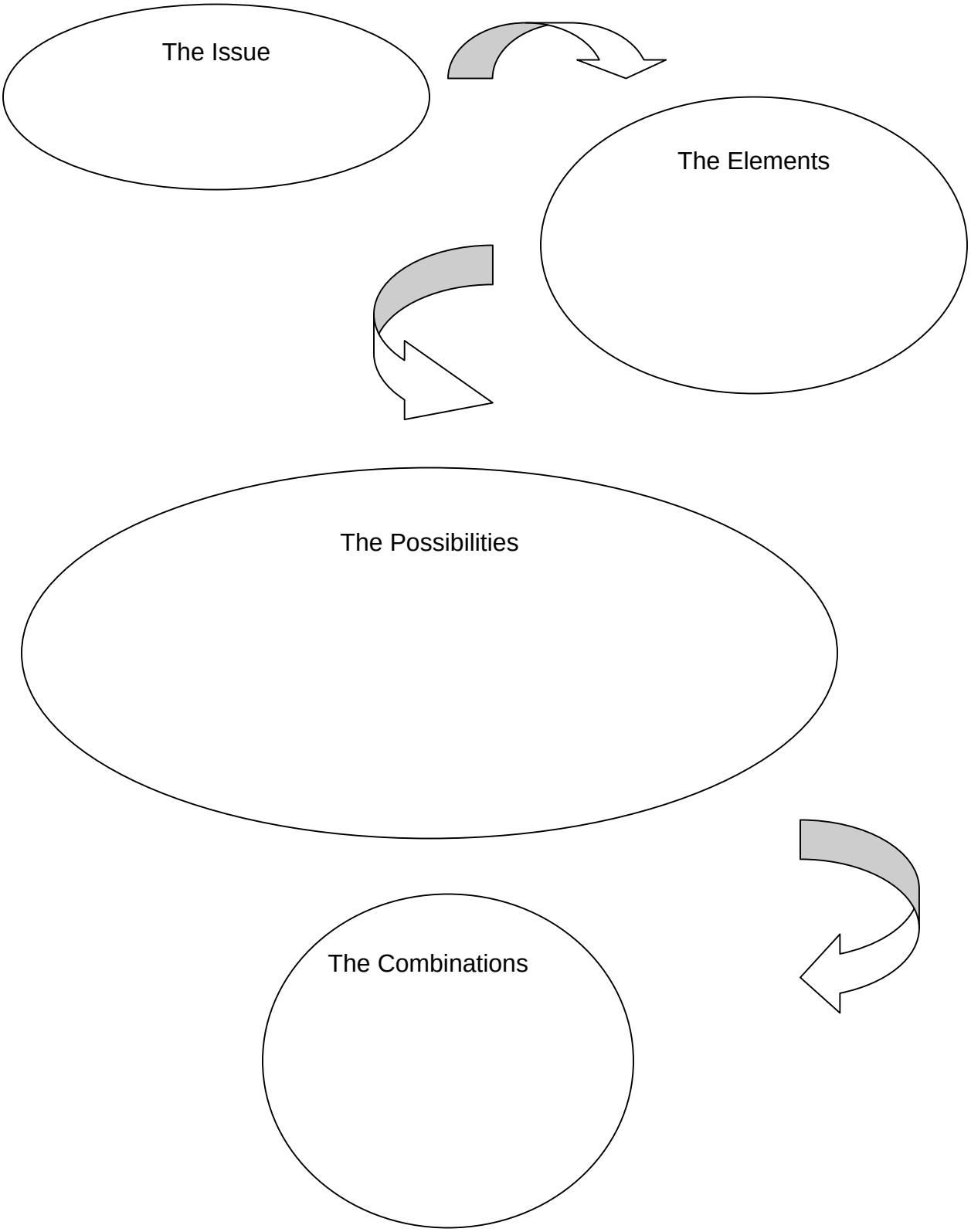
Timeframe	Location	Attendees	Food	Drinks	Activities
Morning	Parking lot	Upper-class	Desserts	Coffee	Talent show
Noon	Cafeteria	All students	Hot dogs	Lemonade	Games & prizes
Afternoon	Hotel	Dates only	Catered	Soft drinks	Stand-up comic
Evening	City park	No dates	BBQ	Punch	Dance contest
			Appetizers		

4. The combinations: make a choice from each column and list those combinations for later evaluation.
   - Afternoon + City park + No dates + BBQ + Soft drinks + Games & prizes
   - Evening + Cafeteria + Upper-class + Desserts + Coffee + Dance contest

REMEMBER:

Suspend evaluation until after combinations are listed.

“Sum of Its Parts” - Practice Sheet



“Reversing the Question”

STEPS:

1. Stating the problem/issue
2. Restating it in the opposite
3. Brainstorming on the opposite problem/issue
4. Translating responses into positive solutions

SAMPLE ISSUE:

1. Stating: How can we deliver excellent customer service at the School Store?
2. Restating: How can we deliver terrible customer service?
3. Brainstorming:
    - Overcharge customers
    - Don’t restock until the end of the day
    - Know nothing about our products
    - Be rude
    - Act as though customers are an imposition
    - Ignore customers
4. Translating
    - Know the correct prices and count back change
    - Keep correct inventory on hand and anticipate special events
    - Be knowledgeable about our products
    - Be polite
    - Let the customers know they are valued
    - Greet customers promptly and stop talking among ourselves

REMEMBER:
Translations may need to be defined further. Suspend evaluation until after translations are completed.

“Reversing the Question” - Practice Sheet

Stating

Restating

Brainstorming

Translating

? ?

“Inquiring Minds Want to Know”

? ?

STEPS:

1. Identifying the problem/issue
2. Asking structured questions to help see the problem/issues differently
3. Recording possible solutions

SAMPLE ISSUE:

1. Identifying: Staplers do not always work properly.
2. Asking:
   - What other product/problem is like this? (Adapt)
   - What could be added to this product? (Magnify)
   - What could be used instead of this product? (Substitute)
3. Recording:
   - Adapt? Fastens paper together without using staples/stapler?
   - Magnify? Enlarge the top of the stapler so it fits the hand better?
   - Substitute? Manufacture staplers from other materials, such as cardboard, plastic or wood?

REMEMBER:

These are just a few kinds of questions and action words that may be used. For more ideas, turn the page.

“Ideas for Inquiry”

Adapt?

Modify?

Flatten?

Rotate?

Divide?

Protect?

Abstract?

Separate?

Eliminate?

Submerge?

Magnify?

Multiply?

Transpose?

Reverse?

Unify?

Invert?

Squeeze?

Dissect?

Segregate?

Distort?

Reverse?

Add?

Complement?

By-pass?

Minimize?

Substitute?

Lighten?

Freeze?

Combine?

Repeat?

Symbolize?

Thicken?

Increase?

Centralize?

Duplicate?

Subdue?

“Inquiring Minds Want to Know” - Practice Sheet

Identifying

Asking and Recording

Brain Stretches

Directions: Creativity can be learned, strengthened, enhanced and effectively applied to everyday living. However, it takes practice to open your mind! These brain stretches have been designed to give you a mental workout. Have fun!

Age Isn't Just Another Number

Feeling young? Feeling old? Figure out how old you are in days, months and dog, cat and elephant years!

Alphabet Soup

Use the alphabet to stir up those creative juices! Select a category such as food, animals, destinations and song titles. Use the alphabet as a naming tool for the first letter of the item. For example, if the category is food, A = artichoke,
B = baklava, C = chocolate and so on.

Be a Part of the Idea Generation

No matter your age, you can be a member of the Idea Generation. Find a small notebook and a pencil or pen. Put your notebook in your back pocket, purse or backpack —anywhere that it's handy all day long. Record every idea that pops into your head for the next two days. Don't evaluate your ideas just jot them down.

Heads or Tails?

When was the last time you took a different route to school or to a friend's house? Grab a penny and at each point along the way that you have to decide to go left or right, flip the penny and go in the direction determined by heads or tails. Take a moment to discover what's new in the view!

A Picture's Worth a Thousand Words

Can't find the right words to describe you or your dreams? Gather some magazines, scissors, glue and a big poster board. Cut out the images that describe you and/or your dreams and create a collage story.

The Rest of the Story

Try your hand at writing the rest of the story! Read an article or a story about three-quarters of the way through. Stop. Now, write your own ending.

Sandwich, Smamwich

Tired of the same old peanut butter and jelly sandwich? Create a new menu of sandwiches by considering all of the possible combinations. Go one step further and try out some of your new concoctions.

Brain Stretches

We're Going on a Walk…

Pack your mental baggage and get ready to lead a group on an adventure. Take a deep breath and imagine leading an expedition to a far-away place. Who's in your group? What are you all carrying? How long does it take?

Other ideas?

Who'd Have Thought?

Directions: Research inventions online. Select four that are of interest to you. Write a separate paragraph detailing the invention and how it met a consumer need.

Invention #1: _____

URL and Date Accessed: _____

Consumer Need Met: _____

Invention #2: _____

URL and Date Accessed: _____

Consumer Need Met: _____

Invention #3: _____

URL and Date Accessed: _____

Consumer Need Met: _____

Invention #4: _____

URL and Date Accessed: _____

Consumer Need Met: _____

Invention Contest Worksheet

Directions: Ask yourself, “What need or problem do I have that is not being met by products or services already in existence?” Now, develop a new invention or product improvement to meet your need! Use the space below to describe your invention briefly and include a sketch.

To enter the Invention Contest, you will need to use your notes and write a memo detailing your ideas. The memo must include:

- A name for your product or service
- How the product would work or service would be delivered
- The consumer need it would fill

Provide an illustration of your invention in the box below or on a separate piece of paper. Please staple the drawing to your memo.

Don’t forget to sign up for a presentation date and time.

Unmet Need/Problem:

Invention/Innovation:

Name of Product or Service:

Pros and Cons of Buying an Existing Business

Directions: Brainstorm the advantages or disadvantages of buying an existing business. Consider a variety of elements such as customers, suppliers, profits, employees, capital, etc. Complete the appropriate section based on the assignment given by your teacher.

Advantages to Buying an Existing Business:

1. _____
_____
_____
2. _____
_____
_____
3. _____
_____
_____
4. _____
_____
_____
5. _____
_____
_____

Disadvantages to Buying an Existing Business:

1. _____
_____
_____
2. _____
_____
_____
3. _____
_____
_____
4. _____
_____
_____
5. _____
_____
_____

Franchise Pluses and Minuses

Directions: Brainstorm the advantages or disadvantages of owning a franchise. Consider a variety of elements such as competitive advantage, gain/loss of independence, support and costs.

Advantages of Owning a Franchise:

1. _____
_____
_____

2. _____
_____
_____

3. _____
_____
_____

4. _____
_____
_____

Disadvantages of Owning a Franchise:

1. _____
_____
_____

2. _____
_____
_____

3. _____
_____
_____

4. _____
_____
_____

Business Ownership

Directions: Help Samantha Sour choose a form of business ownership by completing the table. Answer each question as it applies to each from of business ownership by placing your answer in the advantage or disadvantage column. In some instances you may have answers in both the advantage and disadvantage columns.

	Sole Proprietorship Luscious Lemonade (Samantha Sour owns and operates the business herself)	
	Advantage	Disadvantage
Who owns the business and makes the decisions?		
Who is liable?		
How hard is it to organize?		
Where does the money to start the business come from?		
How are the profits distributed?		
What happens if the business loses money?		
What is the life span of the legal structure?		

	General Partnership	
	Sour & Sweet Lemonade (Samantha Sour and a partner, Susan Sweet, run and operate the business together)	
	Advantage	Disadvantage
Who owns the business and makes the decisions?		
Who is liable?		
How hard is it to organize?		
Where does the money to start the business come from?		
How are the profits distributed?		
What happens if the business loses money?		
What is the life span of the legal structure?		

	Corporation	
	Luscious Lemonade (Samantha Sour sells stock in her business and hires employees to assist with business operations)	
	Advantage	Disadvantage
Who owns the business and makes the decisions?		
Who is liable?		
How hard is it to organize?		
Where does the money to start the business come from?		
How are the profits distributed?		
What happens if the business loses money?		
What is the life span of the legal structure?		

	Limited Liability Company	
	Sweet & Sour Lemonade (Samantha Sour, Susan Sweet and Sam Slush join together as members in the company)	
	Advantage	Disadvantage
Who owns the business and makes the decisions?		
Who is liable?		
How hard is it to organize?		
Where does the money to start the business come from?		
How are the profits distributed?		
What happens if the business loses money?		
What is the life span of the legal structure?		

Franchise Opportunity

Directions:

1. Imagine that you are an entrepreneur seeking a franchise opportunity.
2. Assume that you have financial backing, the necessary educational background and business experience needed for this business venture.
3. Research and evaluate a franchise opportunity that is of interest to you. Search online at The Franchise Zone (http://www.entrepreneur.com/Franchise_Zone/FZ_FrontDoor).
4. Use the questions below to evaluate the franchise opportunity. Based upon your research answer the question: **Is this the right franchise for you?** Outline your answer in a one-page report.

Franchise: _____

Company Background:

1. What is the total investment?
2. What is the initial franchise fee?
3. How much are the royalty fees?
4. How long has the franchisor been in business?
5. How profitable is the franchise?
6. How long is the term of agreement? Is it renewable?
7. Where is the franchisor seeking franchises?
8. How many employees are needed to run the franchise operation?
9. What qualifications must you meet to qualify as a franchisee?
10. What is the main reason this franchise opportunity interests you?
11. Additional information:

Which Form of Business Ownership?

Directions: Imagine that you are a business consultant. You specialize in the area of business ownership for people who are considering starting a business or growing a business. You have a variety of clients seeking your expertise. Consider each client's situation and provide a written response to each client in the space provided. Remember, the four forms of business ownership include sole proprietorship, partnership, corporation and a limited liability company.

Client #1:
I am 16 years old and adore little kids. I like to organize special events like birthday parties for children. I have decided that a great way to earn extra money is to provide themed birthday parties for a modest fee to families with children. I do it all: arrange the food, supply the music, decorate the party room, play games, give away small prizes and even play the part of Bingo, the Birthday Clown.

Which form of business ownership do you recommend?

Why?

Client #2
I am 27 years old and have just finished law school and passed the state bar exam. I am ready to begin my new career as a lawyer. I am not interested in a job with a big law firm. I'd like to be on my own and I have two friends who are in similar situations. It takes money to start a law practice. You need computers, fax machines, a copier, etc. Even in a small firm you might need to hire employees such as a receptionist and maybe a paralegal. I want this firm to be a success, but I'm not sure I have all the legal and business skills that I need to pull it off.

Which form of business ownership do you recommend?

Why?

Client #3
I am 35 years old and have been operating three successful bookstores for five years. My customers think I have the right mix of books to appeal to younger and older readers. I have even opened a coffee bar in each of the bookstores and they have been a big hit. I am thinking of expanding to seven stores. I have identified the new locations. My two biggest problems are that I do not have enough money to support this expansion and I am not sure I have the skill to manage seven locations.

Which form of business ownership do you recommend?

Why?

Client #4
My business partner and I are 25 and 26 years old. We run a small but growing business. We buy auto parts from overseas for American cars. Then we sell the parts to auto repair shops in five cities in four states and two cities in our home state. We are now getting requests for our auto parts from auto repair shops in three new states. To meet this demand, we will need a major expansion of our warehouse facility and we will need to hire employees.

Which form of business ownership do you recommend?

Why?

Client #5
I am a 45-year-old agricultural scientist. I have been working for years to develop a natural egg that is free of cholesterol and low in fat. I have finally completed all the tests and have received government approvals needed for my new eggs. Up until now, my work has been simple and I have been my own boss. Now I want to launch my new product, Eggs You Can Love, on a national scale.

Which form of business ownership do you recommend?

Why?

Client # 6
My college roommate and I have come up with the idea of *Dorm in a Bag*. We want to purchase sheets, pillowcases, comforters, blankets and towel sets from a wholesaler and then package them for resale. Our idea is that for out-of-state students it's a pain to pack bedding and ship it, so we'll take care of it and we'll deliver it right to the dorm the day the student arrives on campus. We're also thinking about adding a few other items like cool desk lamps and bulletin boards to our product line.

Which form of business ownership do you recommend?

Why?

Interview with a Franchisee

Directions: Select a local franchise that is of interest to you. Perhaps it is one of your favorite fast-food outlets. Maybe you are interested in owning a similar franchise. It could be that the franchise offers a unique service. Once you have made your selection, visit the franchise and explain your purpose for contacting the franchise owner. Set up a 30-minute appointment to interview the franchisee using the questions below. Feel free to add questions of your own.

Interview Questions:

- How did you become a franchisee?

- Why did you select the particular franchise you operate?

- What knowledge and skills did you have that helped you succeed as a franchisee?

- What do you wish you had known before you became a franchisee?

- What are the pros and cons of starting a new business? Being a franchisee?

- What did the franchisor do to help your business succeed?

- How was your franchise financed?

- What advice would you give me if I were thinking about buying a franchise?

Calculating EOU with Variable Costs

Directions: Complete the calculations for each business.

For the Birds hand crafts and sells birdhouses. Each birdhouse sells for $30. For the Birds uses $6 worth of wood, screws and paint for each birdhouse. The birdhouse builder values her time at $7 per hour. She can build a birdhouse in one hour. For the Birds' cost of goods sold per unit is $_____.

For the Birds packages every birdhouse at the cost of $1 per birdhouse.

Complete the EOU analysis to determine For the Birds' gross profit per Unit:

ECONOMICS OF ONE UNIT (EOU)			
Manufacturing Business: unit =		**Date**:	
Selling Price per Unit:			$_____
Supplies/Materials:	$_____		
Direct Labor ($___x 1 hour)	$_____		
Cost of Good Sold per Unit:	$_____	$_____	
Packaging:	$_____	$_____	
Total Variable Costs per Unit:		$_____	$_____
Gross Profit per Unit:			$_____

Use the EOU to estimate For the Birds' Total Gross Profit:

Gross Profit per Birdhouse	**x**	**Number of Units Sold**	**= Total Gross Profit**
$____ per birdhouse	x	10 units sold	=
$____ per birdhouse	x	20 units sold	=

Crazy Caps sells a variety of baseball–style caps. Each cap sells for $15. Crazy Caps unit of sale is one cap. Crazy Caps pays a wholesaler $48 per dozen caps.
Crazy Caps' cost of goods sold is $ _____.

Crazy Caps pays a 15% commission to several teens who sell the caps at high school sporting events. The commission is $_____ per cap.

Complete the EOU analysis to determine Crazy Caps' gross profit per Unit:

ECONOMICS OF ONE UNIT (EOU)			
Retail Business: unit =		**Date**:	
Selling Price per Unit:			$_____
Cost Goods Sold:	$_____		
Other Variable Costs:	$_____		
Total Variable Costs per Unit:	$_____		$_____
Gross Profit per Unit:			$_____

Use the EOU to estimate Crazy Caps' Total Gross Profit:

Gross Profit per Cap x Number of Units Sold = Total Gross Profit

$____ per cap x 10 units sold =

$____ per cap x 20 units sold =

A Picture's Worth is a one-person service that provides illustrations for children's books. The illustrator sells his labor to draw illustrations and also uses materials such as paint, brushes and paper. The illustrator values his time at $10 per hour. It takes about 12 hours to complete an average assignment. He uses $3 of paper, paint and brushes per assignment. A Picture's Worth's cost of services sold per unit is $_____.

A Picture's Worth pays a 10% commission to his colleagues who refer assignments to him. The commission is $_____ per assignment.

A Picture's Worth charges $220 for an average assignment.

Complete the EOU analysis to determine A Picture's Worth's Gross Profit per Unit:

ECONOMICS OF ONE UNIT (EOU)			
Service Business: unit =			**Date**:
Selling Price per Unit:			$_____
Paint, Paper, Brushes:	$_____		
Direct Labor ($__x 12 hours):	$_____		
Cost of Services Sold per Unit:	$_____	$_____	
Other Variable Costs:		$_____	
Total Variable Costs per Unit:		$_____	$_____
Gross Profit per Unit:			$_____

Use the EOU to estimate A Picture's Worth's Total Gross Profit:

Gross Profit per Assignment x Number of Units Sold = Total Gross Profit

$____ per assignment x 10 units sold =

$____ per assignment x 20 units sold =

Ham on Rye, Hold the Mayo

Directions: Complete the worksheet as you and your fellow students help your teacher determine whether or not his/her sandwich business will be profitable.

ECONOMICS OF ONE UNIT						
Retail Business: unit = 1 ham and Swiss on rye sandwich				Date:		
Selling Price per Unit:						$ _____
Cost of Goods Sold	Price	Units	Quantity Used	Cost Each		
Ham (4 oz.):						
Rye Bread (2 slices):						
Swiss Cheese (2 slices)						
Mustard (1 oz.)						
Lettuce (1 oz.)						
Tomato (¼)						
Pickles (3)						
Direct Labor (___min.)						
Total Cost of Goods Sold per Unit:				$_____	$_____	
Other Variable Costs						
Napkin:						
Paper Wrapping:						
Plastic Bag						
Total Other Variable Costs per Unit:				$_____	$_____	
Total Variable Costs per Unit:					$_____	$_____
Gross Profit per Unit:						$ _____

Is the sandwich business profitable?

Tough Decisions

Directions: You are a business consultant who focuses on helping businesses identify their costs. Over the past few months, you have noticed that very few of your clients are spending time considering marginal benefit, marginal cost or opportunity cost. Four clients have recently contacted you asking for help.

Client A: The Donut Hole
Sam Jefferson owns a small coffee and donut shop. He wants to increase his sales. He's considering opening for business two hours earlier every day to cash in on the early-bird commuters. He estimates that during the two early hours of the day, he will sell an additional 35 cups of coffee and 10 dozen more donut holes. The additional sales will add $150 to his daily revenues.

Sam realizes that he will need to purchase additional ingredients to produce another 10 dozen donut holes and 35 cups of coffee. He will need to pay his baker premium pay for the early morning shift and pay his counter staff overtime for the two extra hours. Since it's dark in the early morning, he'll have higher electricity bills. Sam determines that opening up two hours earlier will cost him $185 a day.

What is Sam's marginal benefit? _____
What is Sam's marginal cost? _____
Should Sam open up two hours earlier to increase his sales? (Explain your recommendation.)

Client B: Invest in the Market?
Tiffany Langstaff designs and makes unique silver jewelry with a western flair. Her business, *Hi Ho Silver* has been doing reasonably well. She has just been commissioned to create special gifts for the Western Ball and she will have an extra $3,000 when she completes the order that she had not been counting on. She has been considering investing in a retirement plan and this money would get her in the market sooner. On the other hand, there is a jewelry marketplace in Santa Fe that is coming up next month. The booth fee, travel expenses, advertising and additional materials to add more jewelry pieces to her collection adds up to $3,000. Which market should she invest in?

Outline the opportunity cost for Tiffany:

Would you recommend Tiffany invest in the stock market or the Santa Fe market?

Client C: Is it a Wrap?
Carla and Manuel met in art class and soon discovered that they both enjoyed designing greeting cards. When their high school decided to hold a crafts fair, they decided to start a gift card business. They have been very successful and are able to keep up with special orders as well as have enough inventory to enter several craft fairs. Carla thinks it's time to add a new line of wrapping paper to their business. Manuel isn't quite sure that is such a good idea.
Carla figures if they create a line of five designs of wrapping paper they can bring in an additional $200 in revenue at each of the craft fairs. She estimates that the only additional costs will be for butcher paper, additional paints and her and Manuel's labor. She estimates the total cost to be $100 per craft fair.

What is Carla and Manuel's marginal benefit? _____
What is Carla and Manuel's marginal cost? _____
Should Carla and Manuel add a line of wrapping paper to their business to increase sales? (Explain your recommendation)

Is there an opportunity cost involved?

Client D: Toes on the Go
Venus Johnson currently works in her mother's nail salon. Her mother pays her a base salary and she receives an additional percentage of each of the services she provides. In addition, Venus keeps 100% of any gratuities she receives. Venus has become frustrated with her mother because Venus has no control over her time. Her mother books all of the appointments and many of them are on Saturday morning. Venus is considering starting her own mobile pedicure business, *Toes on the Go*. She needs your help in thinking through the opportunity cost of her decision.

Outline all the things Venus should take into consideration:

Ham on Rye Sub Sandwich

Directions: Review the ***Ham on Rye, Hold the Mayo*** worksheet that you completed in class.
Compare the ham on rye with Swiss cheese sandwich your teacher made in class with a similar sandwich at Subway.

How much would a similar sandwich cost at Subway?

What is Subway's approximate gross profit per sandwich?

What kinds of fixed costs might Subway incur in operating a store and making sandwiches?

What kinds of variable costs might Subway incur in operating a store and making sandwiches?

If Subway wants to add a new menu item, what concept should they be familiar with in order to make a decision?

What's The Benefit?

Directions: Consider each product or service and list all the associated customer benefits you can think of. Remember, customers buy benefits, not features!

1. Hammer

2. Sun screen

3. Breath mints

4. Backpack

5. Cell phone

6. Google

Name That Brand

Directions: Identify the product/brand represented by each logo or ad icon.

1. Product/Brand_____

2. Product/Brand_____

3. Product/Brand_____

4. Product/Brand_____

5. Product/Brand_____

Directions: Identify the product/brand represented by each logo or ad icon.

6. Product/Brand_____

7. Product/Brand_____

8. Product/Brand_____

9. Product/Brand_____

10. Product/Brand_____

Identify the product/brand represented by the logo or ad icon.

11. Product/Brand_____

12. Product/Brand_____

13. Product/Brand_____

14. Product/Brand_____

15. Product/Brand_____

Build a Brand

Adapted from: *How to Build a Brand*, The National Foundation for Teaching Entrepreneurship

1. **Choose a name for your business that is easy to remember, easy to spell, describes your business and establishes your business in the customer's mind.**

2. **Create a logo that symbolizes your business.** A logo is a distinctive company trademark or sign.

3. **Develop and maintain a good reputation.** Concentrate on the quality of your product or service. Make certain that when customers hear your company name or see your company logo they feel good about your company.

4. **Create a brand personality.** Consider what statement you want your brand to make; caring, studious, youthful, playful, expensive, casual, etc? Your brand personality will help you develop a relationship with your customers.

5. **Communicate your brand personality to your target market.** Identify what type of advertising will best reach your target market.

Putting It All Together

Inventors:
You will have 5 minutes to create a product from the company's creation station. The table with the filled lunch sacks will serve as the creation station. You will select one of the sealed bags, bring it back to your team's table, empty the bag and create a product using only the contents of the bag and a limited amount of "product adaptation" material (masking or duct tape).

You must define the following:

- What is the product?

- What are the important features of the product?

Marketing Consultants:
As the inventors are creating the product, you may observe and take notes but may NOT speak.

At the end of the inventors' time, you will have 5 minutes to draft an initial marketing strategy including:

- Target market (business or consumer)

- Primary characteristics of the target market (age, gender, etc.)

- The 4 P's
    - **Product**: Name of the product and unique benefits

    - **Price**: All raw materials and production costs total $5 for initial quantity. Determine pricing strategy and sales per unit.

    - **Place**: Determine if there are any special packaging and shipping requirements. Will the product be sold to distributors, over the Internet or directly through retail?

    - **Promotion**: Describe how you will get the attention of your target market, demonstrate benefits and convert interest into sales.

Team:
Each team will make a 4-minute presentation to the Board of Directors, which are the other classmates. The Board will select the top two inventions to be marketed this year using a secret ballot process.

Who Are We?

Directions: Develop both demographic and psychographic profiles of your group. Record the characteristics that group members have in common. Be prepared to compare your group's results with those of the other groups.

Demographic Profile:

Name						
Age						
Marital Status						
Family Size						
Ethnicity						
Gender						
Profession						
Education						
Income						

Psychographic Profile:

Name						
Favorite Music						
Favorite Food						
Political Viewpoint						
Favorite Leisure Activity						
Favorite Film Genre						
Other						

Commonalities:

Who Are They?

Directions: Look through your magazine. Answer the questions below. Pick a spokesperson to share your group's analysis with the rest of the class.

Type of Magazine: _____

_____

Kind of articles written within: _____

_____

Products or services being advertised (Describe 2 ads to the class):

_____

_____

_____

Describe ways in which advertisers gain the interest of the readers:

_____

_____

Who do you think the target market is?

Age	
Gender	
Income Level	
Ethnic Group	
Education Background	
Values	
Other:	
Other:	

Competitive Analysis

Directions: First, select a successful business in your area. Next, select four competing businesses and analyze each business using the six points for analyzing your competition discussed in class. Create your own chart or fill in the chart below.

Competitor	Price	Location	Building Facility	Strength	Weakness	Strategy