

TURNING RISK INTO SUCCESS



**An Entrepreneurship Program
for Teenagers**

MANUAL FOR TEACHERS AND MENTORS



First Edition
SAGEGLOBAL

Turning Risk Into Success, First Edition, by Curtis DeBerg

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MANUAL FOR TEACHERS AND MENTORS

TURNING RISK INTO SUCCESS (TRIS)

MANUAL FOR TEACHERS AND MENTORS

Introduction

The manual for teachers is provided to help you teach the materials for the Turning Risk into Success program, an entrepreneurship program for teenagers. This manual should be useful if you are (1) the lead teacher, (2) assisting the teacher as a teacher's aide, (3) a SAGE mentor from a nearby community college or university, or (4) a service-learning volunteer from a nearby college or university.

Use these guidelines at your discretion. Also, we encourage you to make comments and suggestions so we can improve the materials in the future. Before providing specific suggestions to accompany each lesson, here are a few teaching tips.

Below is a list of "10 Hints for Effective Teaching & Mentoring." Teachers and their assistants are encouraged to read these from time to time.

Hints for Effective Teaching & Mentoring

- 1. Prepare.** Be at least two lessons ahead in your preparation. This way, you can use "foreshadowing" to link current material with future material.
- 2. Involve Students.** Almost any concept or skill can be taught by getting students directly involved with the problem. Frequently get them out of their seats and to the front of the room, allowing them to show peers how to do a problem. This can be done individually, in pairs, or in groups.
- 3. Introduce Competition.** Friendly competition often results in better quality outcomes. Be creative. Spontaneous games, on task, can be fun—especially if you can offer a reward or prize to the best performers.
- 4. Group Posture.** Insist that when students form groups, that they form a tight unit facing each other.
- 5. Share the Spotlight.** If there is more than one teacher for the TRIS program, try your best to share the lesson.
- 6. Mingle.** This is an especially effective technique when students are working in groups. Walk around the room, listen for common problems, steer "wayward" groups back to the task at hand, and offer hints, suggestions, or personal anecdotes. Keep your front-of-class "lecturing" to a minimum. A better term for lecturing is "full-group interactive discussion." Remember, keep it interactive!
- 7. Get Personal.** One of the most meaningful experiences may be your special relationship with one or two students. Many teenagers come from unfortunate backgrounds—your friendship could be one of the most important things to them.
- 8. Use technology whenever possible and feasible.** To be competitive in today's workforce students need to be technologically-savvy. Many of the students are comfortable with text messaging, social networking, blogging, YouTube, pod casting and more. Incorporate their knowledge and skills whenever and wherever appropriate.

9. Communicate. Exchange phone numbers and e-mail accounts with your fellow teachers and students. Use the list. Communication is key!

10. Seek critical input. To make the TRIS program better, we must constantly ask our primary stakeholder—the student—how we can do a better job. When you get a good suggestion, please write it down and let us know how we can incorporate this into the program next time.

As you can see by browsing through the TRIS lessons, each lesson is organized into four parts:

- The Big Picture
- Questions and Answers
- Taking Action
- What to Do Before the Next Lesson

Likewise, each lesson in the teacher’s manual is organized the same as the student lessons, with two exceptions. First, each lesson starts with a set of learning objectives. Second: We include comments, suggestions and answers to questions and homework in red to guide you and provide advice.

ABOUT THE AUTHOR

Curtis L. DeBerg is a Professor at California State University, Chico. He earned his Ph.D. and M.S. at Oklahoma State University in business administration (emphasis: financial accounting) and economics, respectively. Before that, he was employed as a CPA for the national accounting firm of Ernst & Whinney in Des Moines, Iowa. From September 1993 to May 2005, he was the Sam M. Walton Free Enterprise Fellow at Chico State. As a Walton Fellow, Dr. DeBerg was the faculty adviser for a Students in Free Enterprise (SIFE) team on campus. One of the SIFE team's most outstanding projects was called "Cal-High SIFE." Based on the success of Cal-High SIFE, Professor DeBerg founded Students for the Advancement of Global Entrepreneurship (SAGE) in summer 2002. SAGE is a global community of teenage entrepreneurs sharing a common purpose: to make the world a better place. Youth use their school learning to become self-reliant, create wealth, and help others. SAGE is currently operating in eight U.S. states and 19 additional countries. He has traveled to over 25 countries in the past ten years to advance SAGE's mission.

Professor DeBerg has published several articles in many academic refereed journals, and served three years as Associate Editor of the *Journal of Accounting Education*. From 1995–1997, he served as Project Co-director of a U.S. Department of Education grant entitled "Reengineering Elementary Accounting." Dr. DeBerg was a leader in reengineering principles of accounting during this time period when CSU, Chico made significant changes in both content and pedagogy in principles of accounting.





TURNING RISK INTO SUCCESS

ENTREPRENEURSHIP LESSONS

Teaching Objectives:

- Introduce the program to students by going over the 12 lesson titles provided below.
- Explain that students who start their own business are eligible to participate in national entrepreneurship tournament sponsored by Students for the Advancement of Global Entrepreneurship (SAGE).
- Briefly explain the content of each of the 12 lessons.

Introduction

If you've ever wondered how to start a business, wonder no more! "Turning Risk into Success" TRIS is a series of 12 lessons that will teach you how. You probably think that starting business is expensive, and it can be. But we will show you



that there are many ways to find money to get started. And when the lessons are over, you'll have the opportunity to travel to a tournament and win some prize money. All you have to do is give a presentation about your business to a panel of judges.

We want to give your business the greatest possible chance of succeeding. One way to do that is to create it based on something you're passionate about. If you

don't know, ask a few people who know you really well. You can also ask yourself what you're good at. Are you an artist? Singer? Musician? Writer? Are you talented in web design or computer programming? How about math? Are you good at caring for your younger brother or sister? Are you a good cook? Are you an athlete? Do you like pets? Once we figure that out, we can brainstorm ways to turn your passion into a business.

Ask students who is their favorite business leader? Or role model? Ask students if any of their parents or other relatives own their own business. Open a dialog about why these people are successful.

During the TRIS program you'll gain other knowledge and skills that will help you become a successful entrepreneur, and a more confident person. We'll focus a lot on computer skills like creating financial spreadsheets, doing research on the internet, and making PowerPoint presentations. TRIS lessons are very hands-on. Lessons are organized into four parts:

- The Big Picture
- Questions and Answers
- Taking Action
- What to Do Before the Next Lesson

You're probably wondering what exactly you'll learn in the TRIS program. After completing the program you will know:

- how to discover what you are good at doing and how to turn it into a business idea;
- how to write a business plan;
- how to obtain money to finance your business;
- how to invest this money to pay for your business's start-up costs;
- how to operate the business;
- the notion of risk and return;
- that ethical decisions are good decisions;
- that even though some businesses will be unsuccessful, this doesn't make the student a failure;
- why paying taxes is essential to a well-functioning democracy;
- how elected officials decide how to spend the tax money that your business has paid to the government;
- the three main types of "for-profit" business entities;
- that there are businesses whose purpose is to improve the community;
- the importance of oral and written presentation skills to "sell" your idea to prospective funders.

Once you learn and apply this knowledge to your business, it will be a lot easier to run and make a profit.

SUPPLEMENTAL PACKAGE

Instructor CD-ROM: This convenient supplement provides a Manual for Teachers and Mentors. The manual includes each of the 12 lessons, with learning objectives, teaching tips, and solutions to exercises for each lesson, **all highlighted in red**. The manual also includes a pre- and post-assessment exam, quizzes with solutions. Also included on the CD-ROM are PowerPoint slides for each lesson, and a PowerPoint presentation for CarCare Detailing & Custom Seat Covers. The business plan for CarCare is included in Lesson 2.

Contents

TRIS is divided into twelve lessons. Each lesson is two hours long, but if you really want to be successful, you'll have to put time into your business plan outside of class. Are you ready?

Teachers/Mentors can cover these lessons in many different ways.

Curricular: Set aside two hours of classroom time each week to cover one lesson. The program can be covered in 12 weeks. The course can be economics, computer graphics, technology or any career/technical education course.

Saturday program: Devote one Saturday morning or one afternoon session per lesson. The lessons can be covered in six weeks, if students devote six Saturdays to the program.

After school program: Set aside one or two after schools sessions per week to go over the lessons. This way, the lessons can be covered in one semester.

Tab 1

Overview and Lesson 1: **“What is an Entrepreneur? Can I Become One?”**

Tab 2

Lesson 2: **How to Write a Business Plan**

- Product/Service
- Price
- Place
- Promotion
- Projected Financial Information
- Social Responsibility: Ethics and Environmental Stewardship

Tab 3

Lesson 3: **How to Finance My Business Idea**

- Personal Savings
- Personal Loans
- Bank Loans
- Venture Capital

Tab 4

Lesson 4: **Starting a Business and Understanding Basic Financial Statements**

- The Accounting Equation
- Main Business Activities: Financing, Investing and Operating
- Practicing Business Transactions Using an Accounting Spreadsheet (Using Excel)
- Comparing a Tutoring Business to a Lawn Service Business
- Preparing the “Big Three” Financial Statements: Income Statement, Balance Sheet, and Cash Flow Statement

Tab 5

Lesson 5: **Finishing the Financial Section of a Sample Business Plan**

- Startup Costs: Purchasing Equipment, Supplies, Inventory
- Distinguishing the Difference Between Investing Startup Costs and Operating Startup Costs
- Projecting Revenues and Expenses
- Preparing Projected Financial Statements
- A Note on Breakeven

Tab 6

Lesson 6: **Running the Business**

- Managing Cash
- Recordkeeping
- Employees
- Paying Taxes: The Price of Freedom
- Sales Taxes
- Income Taxes
- Self-Employment Taxes
- Payroll Taxes

Tab 7

Lesson 7: **Social Entrepreneurship, Part I—Seeking More than the Financial Bottom Line**

- Defining Social Entrepreneurship (macro vs. micro; for-profit, non-profit, or hybrid)
- Examples of Successful Social Entrepreneurs
- Macro (Ashoka Fellows)
- Micro (Youth Venturers)

Tab 8

Lesson 8: **Social Entrepreneurship, Part II—The Importance of a Business Plan**

- Sources of Capital for Social Entrepreneurs
- Accountability

Tab 9

Lesson 9: **Your Business and the Local Community: A Case for Civic Engagement and Environmental Stewardship**

- Understanding Civic Engagement in a Democratic Society
- Social Capital and an Expanded Accounting Equation
- How Your Business is Affected by Government
- Local Government
- State Government
- Federal Government
- Engineering Sustainability into Your Business

Tab 10

Lesson 10: **Your Business and the Global Community: A Case for Thinking and Acting Globally**

- The role of global organizations (e.g., NAFTA, WTO, IMF, World Bank)
- Global Warming: An Opportunity for New Businesses (e.g., Alternative Energy and Transportation)
- Why Foreign Currency Exchange Rates Matter

Tab 11

Lesson 11: **Being in Business Without Starting One—Other Careers in Business**

- Finance and Financial Services (e.g., insurance, banking)
- Accounting
- Marketing
- Human Resource Management
- Management Information Systems

Tab 12

Lesson 12: **Preparing to Present Your Business Plan**

- Creating a PowerPoint Presentation
- Rehearsing “The Pitch” To Friends, Parents, and Mentors
- Reminders: Attire, Punctuality, Poise, Confidence

After Lesson 12

Presentation Day