

Lesson Plan – Business Planning

Course Title: Business Management

Session Title: Business Planning

Performance Objective:

- Upon completion of this lesson, the student will understand a business plan as a major part of the management function of planning.
- Upon completion of this lesson, the student will understand the components of a business plan.

Approximate Time:

When taught as written, this lesson should take 4-5 days to complete.

Specific Objectives:

- Students will analyze the reasons why a business plan is necessary.
- Students will identify the components of a business plan.
- Students will create a business plan for a virtual business.
- Students will identify planning tools.

Preparation

TEKS Correlations:

This lesson, as published, correlates to the following TEKS. Any changes/alterations to the activities may result in the elimination of any or all of the TEKS listed.

- **130.121(c)(2)(A)**
define the term planning
- **130.121(c)(2)(B)**
explain the necessity of proper planning
- **130.121(c)(2)(C)**
define types of planning

Interdisciplinary Correlations:

English:

- **110.33(b)(1)(A) – Reading/Vocabulary Development**
...determine the meaning of grade-level technical academic English words in multiple content areas (e.g., science, mathematics, social studies, the arts) derived from Latin, Greek or other linguistic roots and affixes.
- **110.33(b)(1)(C) – Reading/Vocabulary Development**
...infer word meanings through the identification and analysis of analogies and other word relationships.
- **110.33(b)(12)(B) – Reading/Media Literacy**
...evaluate the interactions of different techniques (e.g., layout, pictures, typeface in print media, images, text, sound in electronic journalism) used in multi-layered media.
- **110.33(b)(12)(C) – Reading/Media Literacy**
...evaluate the objectivity of coverage of the same event in various types of media.
- **110.33(b)(12)(D) – Reading/Media Literacy**
...evaluate changes in formality and tone across various media for different audiences and purposes.

Occupational Correlation (O*Net – <http://www.onetonline.org/>)

General and Operations Managers 11-1021.00

Similar Job Titles: Chief Operating Officer (COO), Vice President of Operations, Store Manager

Tasks:

Direct and coordinate activities of businesses or departments concerned with the production, pricing, sales, or distribution of products.

Locate, select, and procure merchandise for resale, representing management in purchase negotiations.

Establish and implement departmental policies, goals, objectives, and procedures, conferring with board members, organization officials, and staff members as necessary.

(Soft) Skills:

Written expression, speech clarity, oral expression, coordination

Accommodations for Learning Differences:

It is important that lessons accommodate the needs of every learner. These lessons may be modified to accommodate your students with learning differences by referring to the files found on the [Special Populations page](#) of this website.

Teacher Preparation:

References:

1. [Business Principles and Management](#), Everard Burrow, South-Western Thompson Learning
2. <http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/writing-business-plan>

Instructional Aids:

1. "Business Planning" PowerPoint Presentation
2. Business Plan Gameboard Assignment #1
3. Business Plan Gameboard Assignment Rubric
4. Organizational Chart Assignment #2
5. Organizational Chart Assignment #2 Rubric
6. Mission Statement Comparison Table Assignment #3
7. Mission Statement Comparison Table Assignment #3 Rubric
8. Business Plan Project Assignment #4
9. Business Plan Project Assignment #4 Rubric

Materials Needed:

1. Posterboard or flip chart paper
2. Markers

Equipment Needed:

1. Computers for students to complete projects
2. Projector for presentation

Learner Preparation:

1. Ask students by a show of hands if they think that successful businesses happen by chance (or by luck). Then mention specific companies. See if their responses are the same as when they were not thinking of a specific company. Next ask them if they are thinking at all about their own futures or if they are taking a 'wait and see' (by chance or by luck) attitude.

2. Explain to students that, just as they are thinking about their future plans, businesses too have to make plans in an effort to be successful.

Lesson Plan

Introduction (LSI Quadrant I)

1. Discuss with students the concepts of short-term and long-term goals. Ask students to volunteer what some of their short- and long-term goals are. Which ones require more planning? Tell students about S.M.A.R.T. goals and turn one of their goals into a SMART goal on the board or projector.
2. Record a list of student responses regarding the specific goals that businesses have. Keep the list where students can see it. Ask the students in pairs to select a business goal from the list and turn it into a SMART goal. Have the students write the components of the goal on a poster or flip chart, then present to the class.
3. Please refer to the a web site of your choosing for absurd patents and print enough of the invention sheets so pairs of students can have their own invention. You may print the picture only and keep the explanation of the invention to go over with the students at the end of the activity. Have the students, in pairs, examine their invention and discuss what kind of planning must have gone into that product and what the inventor is intending to do with the product. Who did the inventor create it for? How much should it sell for? How will it be marketed? They may make notes on note cards or on a piece of paper. They will then show their invention to the class and present their ideas about this product. The teacher can then identify the name of the product and tell the students what it is really about. Then students can tell if their ideas were close to the inventor ideas. This activity should show students that even if you have a great idea for a new product, there are many things to consider when you are planning how to get your product to its intended audience.
4. After you go through the inventions in #3, list the parts of a business plan on the board and check off the parts that the students actually had to discuss while conducting the activity in #3 above. Then show the students the SBA website and discuss the different parts of the business plan.

Important Terms for this Lesson:

- Business plan – a written document containing the nature of the business, goals, marketing plan, financial plan, and organizational plan
- Planning tools – devices that a business can use to help analyze information
- Goal – an outcome a business hopes to reach
- SMART goal – a goal that is specific, measurable, attainable, realistic, and timely
- Schedule – a plan using time to achieve objectives
- Standard – a gauge by which something is judged
- Mission statement – a specific statement of purpose for an organization
- Policies – guidelines
- Procedure – steps to follow to accomplish a task
- Franchise – an agreement between a company and an individual or group to sell that company's product or service

Outline

Outline (LSI Quadrant II)

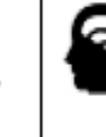
Instructors can use the presentation slides, handouts, and the Internet in conjunction with the following outline.

MI	Outline	Notes to Instructor
 	<p>I. Why a Business Plan?</p> <ul style="list-style-type: none"> A. To identify all aspects of your business B. To minimize risk C. To show to investors 	<p>Use presentation as aid. Ask students if they would be willing to invest in a business just on the word of someone with a product idea saying what a success it will be, with nothing to back it up. Would they do it? Or would they ask for evidence or proof to back it up?</p>
  	<p>II. Business Plan Components</p> <ul style="list-style-type: none"> A. Executive Summary <ul style="list-style-type: none"> 1. Mission Statement 2. Summary of business plan parts B. Business Description <ul style="list-style-type: none"> 1. Products/services for sale 2. Creators of the business 3. Business location C. Goals and Objectives <ul style="list-style-type: none"> 1. Short-term 2. Long-term D. Marketing Plan <ul style="list-style-type: none"> 1. Customer need 2. Analysis of competition 3. Target market analysis 4. Price E. Financial Plan <ul style="list-style-type: none"> 1. Start-up investment and other costs 2. Projected costs, expenses, and revenues F. Organizational Plan <ul style="list-style-type: none"> 1. Form of ownership 2. Organizational chart 3. Job descriptions 	<p>A business plan lines out all of the aspects of a business. It helps the business owners focus on specific areas. It begins with creating a Mission Statement which is part of the Executive Summary. Review several corporate mission statements with students using the website listed in #4 in the references and compare them to the required elements in the site in #5. Every business also needs goals, just as we do in our personal lives. The S.M.A.R.T. goal format is helpful in making goals focused. The Marketing Plan is probably the most entertaining for students. Using the newest iPhone as an example, go through the 4 P's (Product, Price, Place, Promotion) so students understand</p>

		<p>more about marketing. Next, to demonstrate an organizational plan, show students some sample organizational charts and where they can make one using online graphics.</p>
	<p>III. Forms of Business Ownership</p> <p>A. Sole Proprietorship</p> <ol style="list-style-type: none"> 1. Owned by an individual 2. Entrepreneur <ol style="list-style-type: none"> a. Assumes the risk of ownership b. Self-starter 3. Advantages <ol style="list-style-type: none"> a. Pride of ownership b. Full claim to assets c. Full claim to profits d. Ease of decision-making 4. Disadvantages <ol style="list-style-type: none"> a. Long hours b. Have to use own resources c. Liability and risk of ownership d. Owner may lack skills <p>B. Partnership</p> <ol style="list-style-type: none"> 1. Owned and operated by two or more people 2. Advantages <ol style="list-style-type: none"> a. Pooling of skills b. Pooling of capital resources c. Less taxes than corporations d. Reduces competition 3. Disadvantages <ol style="list-style-type: none"> a. Disagreements among partners b. Division of profits c. Difficulty in exiting the partnership <p>B. bound by contracts of partners</p> <p>C. Corporation</p> <ol style="list-style-type: none"> 1. Legally recognized as a separate entity 2. Advantages <ol style="list-style-type: none"> a. Available financial resources b. Long business life c. Stockholders not liable d. Ownership easily transferred 3. Disadvantages <ol style="list-style-type: none"> a. Tax liability b. Government regulations 	<p>Before a business becomes a corporation someone had an idea for a product or service. Every business begins with an entrepreneur. Have students research in pairs how some major corporations began.</p> <p>Ask students if they are familiar with sole proprietorships in their community, i.e., dry cleaners, sandwich shops, or a florist. How do they think the business was funded? If a bank loaned money they would have required a business plan to see specific forecasts and projections for the business. Many businesses fail because of poor planning and not thinking through the expenses of the operation. Have students recall any businesses that may have closed and the possible reasons that led to the closure.</p> <p>While business plans</p>

	c. Charter specifications d. Accounting for stockholder information	are typically prepared when a business is starting up, they are frequently updated to keep information current.
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Copy and Paste Multiple Intelligences Graphic in appropriate place in left column.

								
Verbal Linguistic	Logical Mathematical	Visual Spatial	Musical Rhythmic	Bodily Kinesthetic	Intra- personal	Inter- personal	Naturalist	Existentialist

Application

Guided Practice (LSI Quadrant III):

- The teacher should cut up the different types of companies represented in the attached “Mix It Up” sheet. Fold them and have each student select one. Then, in pairs, students are to create a business idea combining both of their business types. They are to prepare each part of the Business Plan using the presentation as a guide, using computers if they are available, or they can use poster board or flip charts and draw separate sections for each section of the business plan. They should also include a drawing of their logo and company name. The entire business plan should be attractive and easy to read.

Independent Practice (LSI Quadrant III):

- Business Plan Gameboard Assignment #1** – In groups, students will create a gameboard using either poster board, flip chart or open file folders. They will include at least 20 game spaces that will contain facts relating to parts of the business plan and business ownership. Some of the blanks must contain true statements and some must contain false statements. There should also be a consequence for each blank. For example, if a student is to land on a game space that contains a true statement the consequence should be positive, i.e., move ahead x number of spaces, get an extra turn, etc. For a space that contains a false statement, there should be a negative consequence such as losing a turn or moving back spaces. Students should be creative in their gameboard format and may include additional components to their game. Game pieces and rules must also be included. Games will be played by class members to test their knowledge of business plan components.
- Organizational Chart Assignment #2** – Because an organizational or management plan is a part of a business plan, students should be familiar with an organizational chart. Students are to go online to any search engine, click on finance and/or type in any corporation name. When they select a company they are to drill down and find a list of officers for that corporation. They are to create an organization chart in a word processing software using either drawing shapes or online graphics and include each officer listed and their appropriate titles.
- Mission Statement Comparison Table Assignment #3** – Students in pairs will select 4 companies from the list of Fortune 500 companies on the web site listed in #4 in the References section above. Then, using the elements of a mission statement that are listed in #5 of the References section, create a table that identifies each element of the mission statement for each of the 4 companies. Include the appropriate phrases or words that are contained in the mission statements and write or type them into the appropriate place in the table. Some may be more complete than others. Then you will rank each of the companies’ mission statements using the scale of your choice, from 1 to 4, using stars, checkmarks,

thumbs up, or another indicator of your choice.

- **Business Plan Project Assignment #4** – Have students prepare a completed business plan using the templates found on the SBA (Small Business Administration) web site above using any product or service idea of their choice, or they can create their own business idea. It should look professional and attractively formatted. Use diagrams and illustrations as necessary.

Summary

Review (LSI Quadrants I and IV):

Q: What is the purpose of a business plan?

A: To identify all aspects of your business, to minimize risk, and to show to potential investors.

Q: What is the first part of a business plan?

A: The Executive Summary, which contains the Mission Statement and a brief summary of the other parts of your plan.

Q: Why is a Marketing Plan important?

A: It provides an analysis of your competition, target market, and pricing strategy.

Q: What did all businesses originally start with?

A: An entrepreneurial spirit, an idea for a product or service

Q: Is a business plan prepared once and left alone?

A: No. A business plan is usually prepared at the inception of a business, but is updated as needed to keep information current and up-to-date.

Evaluation

Informal Assessment (LSI Quadrant III):

1. Instructor will observe students during Independent Practice.
2. Instructor will assist students as needed.

Formal Assessment (LSI Quadrants III and IV):

Use the assigned rubrics to evaluate the two Independent Practice Assignments (LSI Quadrant III).

Extension

Extension/Enrichment (LSI Quadrant IV):

1. Have students use the business plan they created in Assignment #5 above, but this time have a different section on each page and include a cover sheet as well. Also be sure to include a page with the company logo. Place in a binder and submit to personnel at the school asking them if they would invest in their company based on what their plan looks like.
2. Ask students to submit their plan to a bank and ask for a banker's comments and suggestions as to what they like to see to loan money for a business.

MIX IT UP!

Cut up the following types of businesses and put into a 'hat', box, or whatever is available. Have each student draw one of the businesses. In pairs, students will create a new business that combines the two that were drawn by the partners.

DRY CLEANING

SANDWICH SHOP

VIDEO RENTALS

LAWN MOWING

PET-SITTING

BABY-SITTING

FLOWER SHOP

HANDYMAN/CARPENTER

PET GROOMING

BURGER JOINT

CLOTHING RESALE SHOP

GUITAR LESSONS

EMBROIDERY/NEEDLEPOINT SHOP

BAKERY

MOTORCYCLE SHOP

BICYCLE SHOP

DINER

HAIR SALON

BANK

HARDWARE STORE

MAIL CENTER

VETERINARIAN

CAMERA STORE

WHOLE FOODS STORE

Business Planning

Independent Practice Assignment Sheet

- **Business Plan Gameboard Assignment #1** – In groups, students will create a gameboard using either poster board, flip chart or open file folders. They will include at least 20 game spaces that will contain facts relating to parts of the business plan and business ownership. Some of the blanks must contain true statements and some must contain false statements. There should also be a consequence for each blank. For example, if a student is to land on a game space that contains a true statement the consequence should be positive, i.e., move ahead x number of spaces, get an extra turn, etc. For a space that contains a false statement, there should be a negative consequence such as losing a turn or moving back spaces. Students should be creative in their gameboard format and may include additional components to their game. Game pieces and rules must also be included. Games will be played by class members to test their knowledge of business plan components.
- **Organizational Chart Assignment #2** – Because an organizational or management plan is a part of a business plan, students should be familiar with an organizational chart. Students are to go online to any search engine, click on finance and/or type in any corporation name. When they select a company they are to drill down and find a list of officers for that corporation. They are to create an organization chart in a word processing software using either drawing shapes or online graphics and include each officer listed and their appropriate titles.
- **Mission Statement Comparison Table Assignment #3** – Students in pairs will select 4 companies from the list of Fortune 500 companies on the web site listed in #4 in the References section above. Then, using the elements of a mission statement that are listed in #5 of the References section, create a table that identifies each element of the mission statement for each of the 4 companies. Include the appropriate phrases or words that are contained in the mission statements and write or type them into the appropriate place in the table. Some may be more complete than others. Then you will rank each of the companies' mission statements using the scale of your choice, from 1 to 4, using stars, checkmarks, thumbs up, or another indicator of your choice.
- **Business Plan Project Assignment #4** – Have students prepare a completed business plan using the templates found on the SBA (Small Business Administration) web site above using any product or service idea of their choice, or they can create their own business idea. It should look professional and attractively formatted. Use diagrams and illustrations as necessary.

Business Planning Business Plan Gameboard Assignment #1

Student Name: _____

CATEGORY	20	10	5	1
Knowledge Gained	All students in group could easily and correctly state several facts about the topic used for the game without looking at the game.	All students in the group could easily and correctly state 1-2 facts about the topic used for the game without looking at the game.	Most students in the group could easily and correctly state 1-2 facts about the topic used for the game without looking at the game.	Several students in the group could NOT correctly state facts about the topic used for the game without looking at the game.
Accuracy of Content	All information blanks made for the game are correct.	All but one of the information blanks made for the game are correct.	All but two of the information blanks made for the game are correct.	Several information blanks made for the game are not accurate.
Attractiveness	Contrasting colors and at least 3 original graphics were used to give the cards and gameboard visual appeal.	Contrasting colors and at least 1 original graphic were used to give the cards and gameboard visual appeal.	Contrasting colors and \"borrowed\" graphics were used to give the cards and gameboard visual appeal.	Little or no color or fewer than 3 graphics were included.
Cooperative work	The group worked well together with all members contributing significant amounts of quality work.	The group generally worked well together with all members contributing some quality work.	The group worked fairly well together with all members contributing some work.	The group often did not work well together and the game appeared to be the work of only 1-2 students in the group.
Rules	Rules were written clearly enough that all could easily participate.	Rules were written, but one part of the game needed slightly more explanation.	Rules were written, but people had some difficulty figuring out the game.	The rules were not written.

Total Score _____
Maximum 100 Points

Business Planning Organizational Chart Assignment #2

Student Name: _____

CATEGORY	20	10	5	1
Attractiveness	Makes excellent use of font, color, graphics, effects, etc. to enhance the chart.	Makes good use of font, color, graphics, effects, etc. to enhance to chart.	Makes use of font, color, graphics, effects, etc. but occasionally these detract from the chart content.	Use of font, color, graphics, effects etc. but these often distract from the chart content.
Requirements	All requirements are met and exceeded.	All requirements are met.	One requirement was not completely met.	More than one requirement was not completely met.
Mechanics	No misspellings or grammatical errors.	Three or fewer misspellings and/or grammatical errors.	Four misspellings and/or grammatical errors.	More than 4 errors in spelling or grammar.
Organization	Content is well organized using titles for all officers.	Content is well organized but 1 officer title is missing.	Content is logically organized for the most part, but 1-2 titles are missing.	There was no clear or logical organizational structure, just officer names.
Content	Covers topic in-depth with details. Subject knowledge is excellent.	Includes essential knowledge about the topic. Subject knowledge appears to be good.	Includes essential information about the topic but there are 1-2 factual errors.	Content is minimal OR there are several factual errors.

Total Score _____
Maximum 100 Points

Business Planning

Mission Statement Comparison Table Assignment #3

Student Name: _____

CATEGORY	20	10	5	1
Required Elements	The table includes all required elements as well as additional information.	All required elements are included on the table.	All but 1 of the required elements are included on the table.	Several required elements were missing.
Use of Class Time	Used time well during each class period. Focused on getting the project done.	Used time well during each class period. Usually focused on getting the project done.	Used some of the time well during each class period. There was some focus on getting the project done.	Did not use class time to focus on the project.
Mechanics	Capitalization and punctuation are correct throughout the table.	There is 1 error in capitalization or punctuation.	There are 2 errors in capitalization or punctuation.	There are more than 2 errors in capitalization or punctuation.
Labels	All items of importance on the table are clearly labeled with labels that can be read from at least 2 ft. away.	Almost all items of importance on the table are clearly labeled with labels that can be read from at least 2 ft. away.	Several items of importance on the table are clearly labeled with labels that can be read from at least 2 ft. away.	Labels are too small to view OR no important items were labeled.
Knowledge Gained	Student can accurately answer all questions related to elements of a mission statement.	Student can accurately answer most questions related to elements of a mission statement.	Student can accurately answer about 75% of questions related to elements of a mission statement.	Student appears to have insufficient knowledge about the elements of a mission statement.

Total Score _____
Maximum 100 Points

Business Planning Business Plan Project Assignment #4

Student Name: _____

CATEGORY	20	10	5	1
Organization	Information is very organized with well-constructed paragraphs and subheadings.	Information is organized with well-constructed paragraphs.	Information is organized, but paragraphs are not well-constructed.	The information appears to be disorganized.
Mechanics	No grammatical, spelling or punctuation errors.	Almost no grammatical, spelling or punctuation errors	A few grammatical spelling, or punctuation errors.	Many grammatical, spelling, or punctuation errors.
Quality of Information	Information clearly relates to the main topic. It includes several supporting details.	Information clearly relates to the main topic. It provides 1-2 supporting details.	Information clearly relates to the main topic. No details are given.	Information has little or nothing to do with the main topic.
Paragraph Construction	All paragraphs include introductory sentence, explanations or details, and concluding sentence.	Most paragraphs include introductory sentence, explanations or details, and concluding sentence.	Paragraphs included related information but were typically not constructed well.	Paragraphing structure was not clear and sentences were not typically related within the paragraphs.
Diagrams & Illustrations	Diagrams and illustrations are neat, accurate and add to the reader's understanding of the topic.	Diagrams and illustrations are accurate and add to the reader's understanding of the topic.	Diagrams and illustrations are neat and accurate and sometimes add to the reader's understanding of the topic.	Diagrams and illustrations are not accurate OR do not add to the reader's understanding of the topic.

Total Score _____
Maximum 100 Points