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A CURRICULUM GUIDE FOR TEACHING
BUSINESS PLANNING

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts
in
Education:
Career and Technical Education

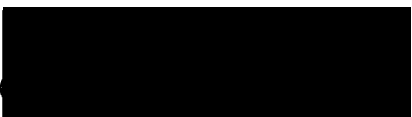
by
Dennis Patrick Larney
June 2005


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ABSTRACT

One of the most significant events in human history is the movement from the agricultural and industrial ages of the 19th and 20th centuries to the information and technology age of the 21st century. To better understand the impact of this 'new economy' on career and technical education, this study examined the effectiveness of training through major periods of American economic history. The study found that in this 'new economy' unlike other eras, business is playing a dominant role.

It was further discovered that many of the same companies that are playing a leading role in funding and policy decisions are also downsizing, outsourcing jobs and essentially changing the basic nature of the employment contract. At the same time government and educators are redoubling their efforts to produce a technically competent workforce, business is replacing secure jobs with freelance, temporary, part-time and consulting positions at all skill levels. This asymmetry was reviewed in considerable detail. It was recommended that educators recognize the paradigm shift and attempt to develop curriculums better designed for the 'dejobbed' workplace. At present, training in entrepreneurial skills is not commonly available in secondary career and technical

curriculums. This study offers a curriculum guidebook for teaching business planning for personal or microbusinesses. The curriculum contains the standard business knowledge components of marketing, finance and administration. It also contains specific 'new economy' elements in skills and attitude training such as self-evaluation techniques, networking, licensing and certification, government contracting, insurance, taxes and business associations.

ACKNOWLEDGMENTS

There are many people who made it possible for me to compile this work. The excellent faculty and fellow scholars at CSUSB provided both guidance and inspiration.

Special thanks to my wife and partner of 45 years, Theresa Sobotka Larney. Not only did she provide significant technical and administrative support in compiling this project but she never lost confidence in my ability to complete it.

DEDICATION

It is my sincerest hope that some aspect of this work will have a positive impact on career and technical school curriculums in the future. In that regard, I dedicate this work to my grandson, Jaden Michael Larney Parrott and his generation of workers, scholars and teachers.

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CHAPTER ONE

BACKGROUND

Introduction

The contents of Chapter One present an overview of the project which addresses the need for a standardized, simplified and concise curriculum to teach business planning techniques to career and technical students. The context of the problem was discussed followed by the purpose, significance of the project, and assumptions. Next, the limitations and delimitations that apply to the project are reviewed. Finally, definitions of terms are presented.

Purpose of the Project

The purpose of the project is two-fold. First, to design a curriculum guideline for career and technical educators to teach the elements of business planning to a new population of graduates that need the material to manage their vocation successfully. Secondly, it can be used as a very practical way of integrating academic and occupational training programs.

Context of the Problem

A century ago, the United States economy was moving from an agrarian to an industrial workplace. Today, at the

culsp of the 21st century, the industrial economy is being replaced by an information or service industry. In response, educators have focused on the need for skill training needed by the new economy. Lost in the transition is the fact that not only are many jobs disappearing but the nature of the employment contract is changing dramatically. Secure jobs are increasingly being replaced by temporary or free lance assignments or consulting positions even at the lower skill levels.

Motivated by legal, tax, medical and retirement costs and profits, many employers of all sizes are depleting their roles of permanent employees and replacing them with 'non employees' or contract worker arrangements. While most career and technical trained graduates have received the occupational skill required, few are equipped to deal with life as independent contractors or in effect as single employee business entities.

At present, no curriculum is available at the career and technical secondary level which offers entrepreneurial skills in the form of preparing and executing business plans. Properly prepared business plans not only project income and expense but also require interfacing with all aspects of employment/business activity such as legal, taxes, administration, marketing and finance.

The purpose of this study is to respond to the developing need and to design a curriculum guidebook for teaching business planning focused on micro-business entities in secondary career and technical programs. The curriculum can be used as a stand-alone course or integrated into other occupational course offerings. The curriculum will be constructed to offer a high degree of integration between academics and technical skills.

Significance of the Project

The significance of the project is that this will be a unique curriculum handbook developed for career and technical educators to teach business planning techniques. The curriculum will be offered through secondary career and technical and academic programs.

Assumptions

The following assumptions were made regarding the project:

1. It was assumed that a standardized core curriculum guideline for the preparation of business plans is needed in career and technical training at the secondary level.
2. It was assumed that once the curriculum was established, it could be utilized throughout

secondary schools in the State of California and that it could be presented to the Education Committees of the following entities for possible integration into their national training programs.

- a) Association of Collegiate Business Schools and Progress (ACBPC)
- b) Beta Alpha Psi (BAP)
- c) American Institute of Certified Public Accountants

Limitation and Delimitation

During the development of the project, a limitation and delimitation were noted and are presented in the following section.

Limitation

The following limitation applies to this project:

The core curriculum was designed for career and technical students at the 11th and 12th grade levels. At this level, it is presumed that career and technical students will have sufficient academic background and a fairly clear focus on their occupational interests.

Delimitation

The following delimitation applies to this project:

This curriculum was designed for use by career and technical students at the 11th and 12th grade levels. However, with minor modifications, it could be utilized for other student populations including the following:

- Secondary school academic majors particularly those with specific career goals in mind.
- Adult education participants.
- Middle school students, particularly magnet or similar schools that have integrated career path programs in their curriculum.

Definition of Terms

The following terms are defined as they apply to the project.

American Institute of Certified Public Accountants - This is the principal professional organization for certified public accountants. It sets and upholds industry standards, administers CPA examinations and provides position papers on accounting standards for private industry and government. It also coordinates

ongoing research and education for accounting subjects (AICPA, 2004).

Association of Collegiate Business Schools and Programs -

This organization is primarily involved in establishing accreditation standards for teaching business subjects (ACBSP, 2004).

Association of Collegiate Business Schools and Programs -

This organization is primarily involved in establishing accreditation standards for teaching business subjects (ACBSP, 2004).

Beta Alpha Psi - This is an international organization for financial information students and professionals. It is primarily concerned with providing recognition to scholastic and professional excellence in the business information field (BAP, 2004).

Carl D. Perkins Vocational Education Act - The Carl D.

Perkins Act provided legislation on the integration of academic and vocational proficiencies (U.S. Department of Education, 2004b).

Contextual Learning - A concept of teaching and learning that helps teachers relate subject matter content to real world situations and motivates students to make connections between knowledge and it's application (U.S. Department of Education Office of Vocational

and Adult Education and the National School-to-work Office, 2004a).

Curriculum - The subject matter that teachers and students cover in their studies. It describes and specifies the methods, structure, organization, balance and presentation of the content (International Technology Education Association [ITEA], 2000).

Curriculum Development - A process involving a group of teachers writing objectives for use in their course and, perhaps, other teachers' courses (Finch & Crunkilton, 1999).

Curriculum Integration - A strategy used to link the teaching of general education subjects with vocational subjects (Bragg, 2001).

Dejobbing - A word created to describe a phenomenon of the information age economy when traditional jobs are being replaced with temporary or contract workers (Roberts, 2003).

Inland Empire Center for Entrepreneurship - This is a center for entrepreneurial studies located in the College of Business and Public Administration at California State University, San Bernardino (IECE, 2005).

Microbusiness - A word coined to describe a single person/sole owner business as distinguished from a conventional small business (Bridges, 1997).

New Vocationalism - Term used to describe programs initiated by state and local school districts after passage of Federal legislation in the late 1990's which encouraged training for the new economy (Bragg, 2001).

School to Work Opportunities Act - This Federal legislation provides money to states to develop customized programs according to the needs of the state. There are three elements to the law: School-based learning - high academic and business defined skill standards; work-based learning - career exploration, work experience, training and mentoring at job sites; connecting activities - integrating classroom and on-the-job instruction; building bridges between school and work (U.S. Department of Education, Office of Vocational and Adult Education, 2002).

Vocational - The word vocational has occasionally been substituted for career and technical in the text. Such usage was confined to use of the word in an historical perspective only.

United States Small Business Administration - This

department of the U.S. Government was established to assist small business concerns with advice and financing (USSBA, 2004).

Organization of the Project

The thesis portion of the project was divided into four chapters. Chapter One provides an introduction to the context of the problem, purpose of the project, significance of the project, limitations and delimitations and definitions of terms. Chapter Two consists of a review of relevant literature. Chapter Three documents the steps used in developing the project including the work of the advisory panel. Chapter Four presents conclusions and recommendations drawn from the development of the project. Appendix covers the Course Curriculum. The Course Curriculum consists of four sections: Section A is the introduction; Section B provides the Course Curriculum, Section C provides 10 lesson plans and Section D provides a PowerPoint outline. Curriculum references follow Section D and finally references for the entire project are provided.

CHAPTER TWO

REVIEW OF THE LITERATURE

Introduction

Chapter Two contains a discussion of the literature relevant to the teaching of entrepreneurship and business plans in Career and Technical curriculums. The research focused on how vocational training through the years has mirrored the perceived social and economic values of the times. The research demonstrated that the effort to match contemporary social and economic values did not always serve real human or commercial needs.

Research Resources and Methodology

Contemporary research indicates that not all career and technical educators feel entrepreneurial and business-planning skills should be introduced into career training programs (Simon, Dyspo, & Schenke, 1991). The concept is supported by many educational and economic writers (Little, Erbastein, & Walker, 1996) as well as by overwhelming raw economic data provided by government and private sector sources.

Formal research for this project began at the California State University, San Bernardino Phau library. An elective search of the comprehensive data bases offered

at the library was conducted. This included ERIC, EBSCO and NEXUS-Lexus to mention a few. These searches provided a great deal of information on constructing business plans for college or direct business applications but very little on curriculum development at the secondary or career training level. These searches also provided substantial economic and demographic data from various U.S. Government agencies and private sector sources. A substantial portion of the research was compiled from the authors' personal collection of information and materials. This included professional journals, the World Wide Web and travels abroad which focused on developing business plans for firms in emerging Eastern European countries.

History of Career and Technical Education Effectiveness

The Early American Period

The seeds of modern career and technical education are to be found in the European medieval guild system. The craft guild which was a component of that system formed a link between craft training in antiquity up to the time of the Industrial Revolution. While the Industrial Revolution reached America in the late 18th century, it was not until after the Civil War that the country began to pursue it's industrial potential. It was at this time that the nation

discovered there was a substantial shortage of skilled workers. Importation of skilled workers from Europe or using Americans raised in an agrarian economy led to the conclusion that training for skilled workers to fuel the industrial expansion was a necessity.

In response to the need, many educational movements emerged to improve the skills of industrial workers. While some were successful, in balance they did not provide a sufficient number of workers. The major problem that persisted until the early 20th century was that neither industry nor education was taking the lead in training a skilled work force. Industry was concerned with market monopolization and short-term profits and the schools felt education should be limited to the essentials and not include skill training. Clearly this dichotomy did not respond to the social and economic needs of the time.

World Ascendancy and Social Responsibility

Just three years after Teddy Roosevelt rode up San Juan Hill in Cuba in 1898, he found himself President of the United States. He inherited a country at the cusp of ascendancy as a world power but also one featuring an economy which had a few large corporate interests controlling prices, wages and all the elements of industrial production (Galbraith, 1956). Roosevelt took

prompt action to break the corporate monopolies that threatened American commerce and in fact, American democracy. At the same time he reformed the economic system, he took steps to ensure that it would better serve the public interest (Wiebe, 1958). The public widely supported Roosevelt's policies. Following suit, educators soon warmed to the concepts of introducing trade education classes and in fact started to establish a large number of trade high schools.

This reformist activity culminated in the passage of the 'Smith Hughes Act of 1917.' From this period of time until the post World War II era, there was a high degree of alignment between social and economic needs and national education policy. Some claim our success in coping with the Great Depression and World War II were in no small part related to the investment the country made in general and technical education programs. Leuchtenburg (1958) points out, the United States in the decade following Smith Hughes spent more on education than the rest of the world combined.

The Pax Americana

Extending from the end of World War II in 1946 through the decade following the collapse of the Soviet Union in 1989, the United States stood astride the world

as a pre-eminent world power Wallerstein (1999) describes this period of time as the 'PAX AMERICANA.'

After World War II, career and training education seemed to fit in with an America re-tooling its' resources toward a more consumer-oriented economy. However, the launching of a man-made satellite (SPUTNIK) by the Soviet Union in 1957 generated a frenzied re-examination of American education in general and of the nations' scientific and technical education in particular. In 1958, Congress passed the National Defense Education Act (NDEA). Under Title VIII of that act, Congress re-wrote statutes as far back as the Smith Hughes act providing additional money for the 'training' of highly skilled technicians in recognized occupations requiring scientific knowledge in fields necessary for national defense. At that time, many educators viewed technical training schools as a political antidote to the perceived Soviet advantage in space travel and science. Maley (1959) wrote that we must accept the basic fact that mathematics and science can benefit from a truly significant contribution by industrial arts. Paton (1958) agreed advocating that all industrial arts teachers receive more training in science and mathematics. Congress agreed with these recommendations and in the amended

National Defense Act of 1966 included industrial arts under Title III of that act.

Unfortunately, all of the increased attention and funding did not result in a bonanza for industrial and technical education. Education trends in the 1960s and 1970s led to decreasing enrollment in industrial and technical arts programs. There seemed to be two major reasons for this shift. The first had to do with the introduction of more progressive and inclusive educational trends such as those enumerated by Goodlad (1979) in his 'What Schools are For' publication. Open access schooling, child centered activity and competency based education are some of these trends. All resulted in de-emphasizing technical and industrial arts training. The second reason had to do with overriding social factors. Believing in the benefits of academic programs and college training, the public generally viewed technical and industrial training as inadequate to prepare their children for life's work (Lewis, 1993).

Globalization and the Information Age

Some try to tie the dawn of the globalization and information age to specific events. The introduction by MicroSoft of the desktop computer in 1984 and the passage of the North American Free Trade Agreement in 1993 are

probably the most common symbolic events mentioned. In fact, the rate of change has been so rapid and diverse, it's almost impossible to single out specific events. Truly the world of 'Future Shock' (Toffler, 1970) has arrived. In this prophetic work, Toffler defines future shock as disorientation and stress brought about by trying to cope with too many technological changes. Tables 1 and 2 which follow enumerate many features of the rapidly changing information age and define key differences between industrial and information based organizations.

Table 1. Important Trends: Transitions to the Information Age

Technology and the Speed of Change
Constant need for innovation
Decentralization
Decision-making at point of implementation
Dejobbing of Workforce
Temporary full-time and permanent part-time
Entrepreneurship and home-based business
Transformation of Work Within Each Economic Sector
Smaller work units
More personal responsibility for individual's work
High-skill versus low-skill
Global Economy
Competition on a global scale
Importance of immigration
Demassification: The Customized Economy
Flexible manufacturing
Methods of distribution
Institutional-help to self-help
Re-emphasis on personal responsibility

*Source: Auberdene, P., & Naubeth, L. (1992) Megatrends for Women. New York: Villard Books

Table 2. Characteristics of Industrial versus Information-based Organizations

Industrial	Information
Structure: Bureaucracy	Structure: Networks
Objective: Control	Objective: Knowledge Exchange
Rank	Connections
Limits and defines	Empowers
Mechanistic	Holistic
Impersonal/objective	Personal/both objective and subjective
Management	Leadership
Compartmental	Systemic
Order-giving	Facilitating

*Source: Burrus, D., & Gittines, R. (1994) Techrends: How to use technology to go beyond your competition. New York: Harper Business

The convergence of wide spread application of high tech processing and the integration of the world economy have profoundly impacted career and technical education. In an attempt to respond to the seismic changes in the workplace Congress passed needed legislation designed to improve career programs and training for the generation of workers that would inherit the new world economy (Smith & Edmunds, 1998). The principal legislation was contained in the Carl D. Perkins Vocational and Applied Technology Act of 1998 and the School-to-Work Opportunities Act of 1994

(STWOA). Both acts focused on the urgency of preparing students for the new workplace. STWOA in particular stimulated more significant collaboration between education and employers to prepare a skilled work force (Scott & Sarkee-Wircenski, 1996).

Educators have enthusiastically supported the new emphasis on training for a new era's work force. As described by Hennigan (2001) the training provides individuals with skill sets to pursue careers in high wage and high skill occupations. Bragg (2001) used the title 'New Vocationalism' to describe this new movement. According to Bragg, the new vocationalism has five core principles:

- Career clusters in professions considered essential to the new economy
- An integrated academic and vocational curriculum
- Broad base of economic and social structures
- Active teaching strategies, learner centered instruction, constructionist theories and project based approaches
- More holistic instruction and a more meaningful Curriculum

As described by Symonds (2000) some educators and business leaders have begun radically altering school systems to enable them to prepare students for the new economy. One of the most celebrated programs is the Jacobs High Tech High School in San Diego, CA. The high school was opened in 2000 with endowments of \$4 million from private enterprise and a matching State of California grant of \$1 million. The concept involves smaller class sizes, mentoring, and immersion in a liberal arts program while providing relevant workplace exposure. The concentration is on personalization, real world immersion and performance based testing.

Thus far, the performance of the school has exceeded all perceived expectations. Among the detailed findings were the following:

- API (Academic Performance Index) increased from 802 in 2003 to 830 in 2004.
- The California Standards Test showed that the school exceeded state averages in virtually every category tested SAT scores in math and verbal for the school far exceeded the averages for the state.

The statistical success of the new program has drawn the interest of many major foundations, including the Bill

and Melinda Gates Foundation. The Microsoft founder and his wife made a multi-million dollar grant to the school which it intends to use to create other new High Tech High Schools nation-wide (San Diego, 2003).

Participating corporate sponsors such as Qualcomm and Cisco Systems are quite pleased with the program as it has the promise of producing a skilled and low wage workforce for them. Educators and parents are equally impressed with the statistical performance. However, some observers have concluded that the new vocationalism may reduce both the size and scope of schools and negatively impact the breadth of the curriculum. Others including Stern (1997) have conducted extensive post graduation studies that show there is little or no difference between career-oriented training and non-career training in employment statistics, wages or hours worked. Further to the point, some (Barnet & Cavanagh, 1994) have voiced great opposition to the Tech Prep programs. They claim that such training only benefits the corporate agenda at the expense of the students. This is further supported by Spring (2004) who cautions that there should be real concern about building curriculums that serve business interests at the expense of students.

While these findings might argue for further outcome studies, the Stern report probably has other implications.

School-to-Work (STW) and Work-Based Learning (WBL) programs may provide students with better attitudes, acclimations and skills but the marketplace itself is changing so rapidly that an additional level of personal skills is probably required. As Little, Erbastein and Walker (1996) point out, many recent reform programs have not succeeded because they were not fully connected to the reality of the school to work experience. This may be the case with some of the current programs discussed above - if the reality of the type of employment is not being considered in the program curriculums.

The Dejobbed Workplace: A New Paradigm

When most educators are asked what they consider to be the most significant component of training for today's workplace, they invariably respond - 'computers.' As Fouts (2000) pointed out in the extensive report he prepared for the Bill and Melinda Gates Foundation, computers have not only found their way into virtually every classroom but computer technology is being fully integrated into most curriculums across the country. Fouts points out that education platforms of the future will feature computers playing a vital role in extending human capabilities and cognitive functioning. While few would disagree with the

current impact and future applications of computer technology, there are other career training issues such as the nature of the employment, in fact, the nature of most jobs in the future. Some observers, Bridges (1997), suggested more and more employment is taking the form of contract work. Motivated by taxes, rising medical insurance and pension costs, most non-unionized American industry and a growing percentage of unionized industry is hiring workers as casual or contract employees. Sometimes this takes the form of temporary or contract employment. At other times, it represents work out-sourced to other firms, usually employment consulting firms. It appears that the emerging labor force including the graduates of San Diego's High Tech High School are increasingly better trained for jobs that companies need done. However, American industry is not, in turn, offering jobs in the traditional sense. They are instead offering contract work on a temporary or project related basis. As Rifkin (1995) recounts, under the new economic rules, people must become entrepreneurs and sell themselves on a piece-meal basis. Further to the point, Huitt (1997) points out that students feel they must become entrepreneurs and invest in their own careers. In response to the changing market place, many service organizations, both public and

private, have emerged to meet the changing needs of workers. One of the more interesting groups, Free Agent Nation, claims to have a potential membership base of 25 million (Pink, 2001).

Even the smallest businesses can now access consulting firms specializing in out-sourcing who can reduce all or a significant part of the firms' functions with outside contract arrangements. A recent search on the YAHOO search engine produced a list of over 100,000 firms engaged in providing out-sourcing services to small business firms. Out-sourcing clearly provides all companies the opportunity to be more competitive. However, as Roberts (2003) points out, this may portend substantial economic and social problems in the near future. This is particularly true of jobs which are out-sourced off-shore. The argument for off-shore out-sourcing is made by Drezner (2004), he claims that the U.S. economy will see a net gain in high value jobs as a result of sending routine technical jobs overseas. Whether this is a valid premise or not is not the subject of this study. However, it is apparent that any jobs coming back to this country will be out-sourced as well, exponentially increasing the number of out-sourced jobs in this country.

As described by Chalson (2001) recent studies have shown that most companies have steadily increased their out-sourcing of high-tech functions over the past decade. In addition, over 85% of companies now utilize out-sourcing for their new systems installations. It is becoming apparent that a growing number of career-trained graduates will be entering the work place with a changing emphasis.

The U.S. Census Bureau (2004) offers corroboration of this trend. In a May 2004 release, the Census Bureau reported an increase of 2.2 million in non-employer businesses. These are individual proprietorships with no employees. There are now 17.6 million of these entities and they accounted for sales or receipts of \$770 billion in 2002, an increase of 31% over the 1997 figures. While the non-employer sector is probably the best indicator of the number of contract or freelance workers, the trend in traditional small businesses is also relevant. According to the U.S. Small Business Administration, the number of small businesses continues to increase with those in the 1-4 employee size creating more jobs than any other category. If the 5.6 million employed in this category is added to the 17.6 million no-employee firms, we have about

23.2 million employed which represents over 20% of the total U.S. workforce and the percentage is growing.

Included in the above numbers are a growing number of workers in the 50 plus age category. According to Peabody (2004) there was a 23% increase of self-employed in that category over the last ten years. It is suggested that this number will increase exponentially as the baby boomer generation matures and finds it necessary to seek self-employment opportunities to provide income security.

Research focusing on youth and entrepreneurship was conducted by Walstad and Kourilsky, (1999) through four national Gallop surveys. Those surveys showed that almost 70% of the high school respondents wanted to start their own business. This contrasted with the adult working population of 50%. In addition, the surveys showed that most (56%) of the high school students felt owning a small business represents a more secure future than working in the management of a large company.

The combined research clearly shows an explosion in the number of self-employed businesses. Just as significantly, both ends of the working age population, students and near retirees, are seeking more entrepreneurial skill training. The public seems to be more keenly aware of the need for entrepreneurial training

than most educators. This brings us back to the issue of designing today's curriculums for tomorrow's jobs. The question is whether integrated academic and technical teaching, even at the level being offered by well-rated High Tech schools are comprehensive enough. For an answer, we turn to an explanation of the SCANS (Secretary's Commission on Achieving Necessary Skills) report issued by the Secretary of Labor in 1992, as well as current commentary by leading educators.

The SCANS report is generally regarded as making a significant contribution to work place issues in the information era (Packer 1992). It recognizes not only the need to acquire high tech skills but also market place skills such as information gathering and processing as well as interpersonal skills. Commentators such as Huitt (1997) support the need for additional skills as well. He classifies two primary skill areas; self-efficacy and self-regulation. He defines self-efficacy as the ability to develop social skills and assertiveness. Self-regulation is described as the ability to set goals and develop strategic plans. Huitt further points out that these skills are particularly crucial in a world in which 'workers are forced to consider themselves as independent contractors.' These ideas are shared by Sexton and Smilor,

(1997) who consider entrepreneurial skills as essential for tomorrows' workers.

Summary

In the first part of this chapter, the history of the responsiveness of vocational education to economic and social conditions over the past 140 years was reviewed. From the passage of the Morrill Act in 1862 setting up land grant colleges to the Perkins Act amendment of 1998, government and educators have usually worked well together. As a result, they produced 'vocational' education programs consonant with the social and economic needs of the time.

Today the task of developing relevant career and technical curriculums is even more challenging. As Handy (1990) stated, we are entering an 'age of unreason' - one in which we are experiencing rapid and highly discontinuous change. It is time for educators to step forward and take the lead. Huitt (1997) projects a growing number of students will be self-employed when they enter the marketplace. Adopting a more creative attitude toward equipping today's students for tomorrows' jobs would be one-way educators could step forward. Establishing a

curriculum for teaching microbusiness plans could be a manifestation of this approach.

Microbusiness plans will incorporate the traditional elements of a business plan; objectives, products offered, marketing, implementation and financing. However, it will also contain specific elements dealing with: self-evaluation techniques, licensing and certification, networking, government contracting, insurance, taxes and business associations and unions.

CHAPTER THREE

METHODOLOGY

Introduction

Chapter Three documents the steps used in developing the project. Specifically, this entails the construction of a concise and systematic approach to curriculum development for teaching personal or microbusiness plans.

Population Served

The project was personally developed to serve educators of career and technical programs at the secondary level. However, the curriculum was also designed for use in secondary school academic programs as well as community college or adult education programs. The project was structured as a handbook for educators and managers to enable them to teach business planning fundamentals for personal or microbusiness applications. The format combines standard business elements with topics unique to the 'new economy' marketplace.

Certification and Licensing Aspects

The microbusiness planning curriculum contains specific information on licensing and certification requirements for the various skill sets being taught in the overall career and technical core curriculum.

Curriculum Development

The next section of the project provides an overview of the curriculum development process. Specifically, the curriculum structure, prerequisites, validation and design were reviewed.

Curriculum Structure and Prerequisites

The core curriculum guideline was developed from the Small Business Plan Basics as published by the United States Small Business Administration (SBA) in 2004. The elements of the SBA plan were designed for small businesses seeking financing through their federally insured lending programs. The content more specific to teaching microbusiness plans was assimilated from a number of sources as mentioned in the literature review. This included textbooks, scholarly journals and the internet. A specific example of this research dealt with the results of four national Gallop surveys of high school students, teachers and business owners (Walstad & Kourilsky, 1999). The study surveyed each of the groups to determine which skills and knowledge they considered most important in entrepreneurial training. These findings were subsequently used in prioritizing elements in the microbusiness curriculum. In addition, the design input of the advisory

panel assembled to review this project was of considerable value.

The curriculum was designed to be used as a stand-alone course or integrated as part of a business principles course. It is recommended that the material be presented after students have been exposed to the basic theory of business practices as well as extensive training in the career skills they have chosen. In addition, a basic understanding of computer applications would be necessary prior to lessons in building computerized microbusiness plans.

The curriculum was divided into one-hour lesson plans. Some lesson plans may take more or less time to teach depending on the students' command of computer applications. Each lesson plan will be built on the previous plan. The project was designed to present the information in a concise and logical order to help students and educators better understand the need and to master the fundamentals of a personal or microbusiness plan.

Curriculum Resources and Content Validation

This curriculum was motivated by the core principles of 'New Vocationalism' as enumerated by Bragg (2001). Specifically, active teaching strategies, learner centered

instruction, constructionist theories and project based approaches were used. Most importantly, holistic instruction and a more meaningful curriculum were used through simulation case studies. The objective of this methodology as described by Hennigan (2001) is to provide students with personal skill sets to enable them to pursue high wage, high skill career enterprises.

The introduction of many new technologies in the framework of a rapidly developing worldwide economy have created a paradigm shift in the world of work. Fewer employers are offering permanent jobs instead opting for temporary or contract employees. A manifestation of this trend is that Manpower Associates, the nation's leading provider of temporary help, is also the nation's leading private sector employer. This handbook was designed to teach students how to cope in an environment where they may no longer be employees but instead contracted workers or single person microbusinesses.

Advisory Panel

An advisory panel of ten people was recruited to provide input in validating the research findings and recommendations contained in this project. The panel consisted of:

- Two long-term Regional Occupational Program (ROP) teachers. One teacher currently in Riverside County and the other in San Bernardino, CA.
- Three educators with considerable background in curriculum development. One is a department head at the School of Education of a major New England college. The second is an employee of the Portland, OR school district. The third is an adjunct professor and lecturer at San Diego University.
- A group of five businessmen with varying backgrounds. The first, now retired, was a Human Resources specialist for a major American company. The second is a retired international businessman who also lectures at College of the Desert, Palm Desert, CA. The third is an active CEO of a regional transportation business. The fourth is a businessman and entrepreneur who manages a real estate company and has taught financial management at the community college level. The fifth is the education program director for a regional economic partnership association in the Coachella Valley, CA.

Each of the panel participants was provided with an abstract, including detailed information on the purpose and significance of the project, as well as major reference sources. In addition, each of the participants was asked the following questions:

- 1) Based on your experience, do you feel the trend toward more outsourcing of work will continue?
- 2) Do you feel a curriculum such as the one proposed at the secondary school level is useful?
- 3) In addition to the 'new economy' topics proposed for this curriculum, do you have any other suggested topics?

The panel was encouraged to openly critique the approach and provide any thoughts they might have on the overall topic.

All ten members of the panel felt that outsourcing and the changing nature of employment would continue and in fact accelerate. All ten also felt there was a significant need for this type of curriculum. There was no discernable difference in the nature of the responses between the groups on the panel as well as the eclectic group of businessmen. They all recognized the nature of the problem and the need for this type of curriculum.

The response to the content and scope of the curriculum drew many different suggestions:

- A businessman and an educator separately suggested the introduction of simulated case studies into the curriculum. The businessman in particular suggested liberal use of problem solving exercises and offered several internal and external events that the microbusiness owner would have to solve.
- All five of the business participants thought there was considerable benefit in this sort of training for all employees, whether permanent or contract. They felt that if employees have a better understanding of how a business is run today, they will become better employees.
- The same five business participants stated they are now or in the past have been heavily involved in domestic outsourcing of certain company functions. They all agreed that this type of domestic outsourcing will grow leading to the creation of many more small specialty companies or microbusinesses.
- Several of the business participants also suggested that the U.S. Small Business

Administration could serve as a useful resource - even providing volunteers/mentors for students.

- Several of the educators felt that elements of the entrepreneurial curriculum such as distributive education and basic finance should be introduced to students in middle schools as an introductory tool.
- Several of the businessmen emphasized the importance of introducing regulatory issues such as licensing and tax withholding in the curriculum.
- One businessman suggested that business ethics be included as a topic in the curriculum.
- While all of the panelists accepted the reality of the 'new economy' employment marketplace, the business participants clearly had greater familiarity with it. Some of the educators, while endorsing the need for the curriculum, felt efforts should be made to reverse the trend toward contract work. However, in the final analysis, all panelists agreed that the landscape of the workplace is being rapidly and inexorably transformed and that the proposed

curriculum is a positive response to that reality.

Additional Validation

The same ten person advisory panel that provided a complete, innovative and balanced critique of the project, also made additional suggestions regarding professional input. One suggestion involved contacting the Desert Sands Unified School District, La Quinta, CA (DSUSD), which is pioneering career programs in their middle school magnet programs. The second involved contacting the Palm Springs, CA office of the U.S. Small Business Administration for their input on the value of the project.

In 2004, DSUSD was awarded a \$8.6 million federal grant to establish six magnet schools for the 2005-06 school year. In addition to following state curriculum standards, it has created specialized programs. Among the specialized programs are courses which allow students to gain exposure and training in a number of career areas including legal, medical, communications and financing services.

An interview was obtained with the career program coordinator who was also the federal grant coordinator. It was explained that one of the recommendations of the project advisory committee was that some elements of

microbusiness planning be introduced into middle school programs to facilitate the introduction of the course in secondary schools. The coordinator was in agreement with the need for some elements of a personal business plan being introduced into their career training programs. In addition, she endorsed the concept of a business-planning course even at the middle school level. She requested and we agreed to provide her with a final copy of the project.

The project was also presented at a meeting of the USSBA in Palm Springs, CA. In addition to one staff member, two volunteers from the SCORE (Service Core of Retired Executives) group were in attendance. All three felt the project had considerable value for all future business owners either of the conventional or microbusiness type. They felt if course offerings of this nature were generally offered to both career and academic programs, that it would facilitate their training mission in the future.

Curriculum Design

The curriculum design here was based on research and experience. It was considered vital that educators understand the changing nature of the workplace and apply this to what is being taught in class. In addition, the time management problems inherent in any program of study

have been taken into consideration by trying to create more effective course material such as the case study simulations. The curriculum design for this project is presented in Appendix.

Summary

The steps in developing this project were outlined. The primary audience for the course materials were identified as educators of career and technical programs at the secondary level. Other potential users of the course material including course instructors in adult, secondary academic and middle schools with career path tracks were identified. The curriculum development process including structure and content and panel verification were presented. Upon completion, the curriculum guideline will be offered to career and technical educators in general as well as the following:

- American Institute of Certified Public Accountants (AICPA)
- Association of Collegiate Business Schools and Programs (ACBSP)
- Association for Career and Technical Education (ACTE) for presentation at the 2005 convention
- Beta Alpha Psi (BAP)

- Inland Empire Center for Entrepreneurship at the College of Business and Public Administration at California State University, San Bernardino (IECE)
- US Small Business Administration (USSBA)

CHAPTER FOUR

CONCLUSIONS AND RECOMMENDATIONS

Introduction

The first part of Chapter Four deals with conclusions drawn from the completion of the project. This was followed by a number of recommendations derived from the body of the project study. An overview of these findings was contained in a summary.

Conclusions

Based on the independent research as well as the peer and panel review involved in completing this project, the following conclusions were obtained.

1. It is uncomfortable to discuss the disappearance of permanent jobs in the postindustrial era but the statistics show it is a reality. In order to remain competitive in the information age and a worldwide economy, companies are replacing permanent employees with contract and temporary workers.
2. The trend toward outsourcing and 'dejobbing' is projected to continue at an accelerated rate. Unlike other periods in the history of American vocational education, business has assumed a

pre-eminent role in the last two decades. Continued introduction of new technologies and the expansion of a worldwide economy are policies vigorously pursued by business. In turn, these aspirations are strongly supported by current political realities. Invariably, this will result in many more permanent jobs being replaced by contract and part-time workers in the next decade.

3. While career and technical educators have focused on job skill preparation, little attention has been paid to the changing face of the employment contract. There are few, if any, formal programs for teaching entrepreneurial skills. This accrues despite the fact that current and future generations of workers will be required to market their skills through the venue of their own personal or microbusiness - not as permanent employees.
4. While the training in entrepreneurial skills is primarily intended for career and technical students at the secondary level, it has cross over application to academic programs. Many students in academic programs whether they

become engineers, medical or financial professionals are being exposed to the same need for entrepreneurial skills as they enter a contract worker employment market. There are also obvious applications for entrepreneurial skill training in adult education programs.

Recommendations

1. It is recommended that wherever possible that this curriculum be taught by teachers with direct business experience. In addition, volunteer mentors with both entrepreneurial experience and specific skill training should be encouraged to participate.
2. Further development of the outline and lesson plans should fully integrate technological and regulatory changes impacting key elements of the curriculum.
3. Further development of the project for use in a distance-learning course could significantly increase the population served. On line education could be utilized not only to upgrade basic entrepreneurial skills but also to provide more current information on technical issues,

business-to-business interface and regulatory issues.

4. The curriculum could be further developed by making it more interactive. Introducing more simulated case studies or business problem solving exercises is suggested.
5. The curriculum could be enhanced if elements of the microbusiness planning could be introduced into general business courses in middle or early secondary school programs. Items such as distributive education and basic financial reports would be examples.

Summary

The high-tech and global economy doesn't lend itself to the creation of permanent jobs. In the Industrial Era, permanent employees were the most effective tools in business successes. In the global economy, the way productivity is achieved has changed and this translates to outsourcing, contract and part time work. In this environment, educators have an obligation to equip students with entrepreneurial skills so they can compete in a world of single person or microbusinesses.

In addition to the above, this chapter provides several other conclusions related to the 'new economy' career marketplace. Several recommendations to enhance or expand the curriculum developed were also proposed.

APPENDIX
CURRICULUM GUIDE

Curriculum Guide For Teaching Microbusiness Plans

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Section A

Introduction

Major Investment Banking firms like Morgan Stanley, often refer to preparing business plans as an art not a science. If that definition is accepted, then the business plans Morgan Stanley prepares for their clients, some of which carry a million dollar price tag, would surely qualify as Rembrandt or Botticelli works of art. Where this leaves the myriad of business plans offered on the internet for prices as low as \$99.95 is unclear. Pre-school artwork is one possible comparison.

In fact, as the pricing affirms, there are many types of business plans. The common denominator for all plans is that they provide a written document detailing the operational and financial aspects of a business undertaking. Business plans are very much like road maps. They help you to determine where you are, where you want to go and how you're going to get there. Well written business plans keep the enterprise in touch with established goals, potential risks and probable rewards.

Above all, a business plan must be based in reality. The most recent and possibly the most historic propagation of unrealistic business plans occurred during the dot.com explosion of 1996-2000. The internet and the browser generally came to the attention of the public in 1996. Many budding entrepreneurs felt free publishing and two-way communication on the internet could lead to direct web based commerce (e-commerce). They felt that new business models would arise and they wanted to capitalize on the new medium.

Thousands of business plans were spawned and billions of dollars of investor money was directed into these companies by financial advisors who should have known better. Proper due diligence would have discovered that the dot.com entrepreneurs business plans were inherently flawed. First of all, they were almost always based on losing substantial amounts of money to gain market share. Secondly, all of the plans had the same objective of monopolizing their respective sectors through network effects. Clearly, there could only be, at most, one network effects winner in each sector. Therefore, most companies with their business plan would fail. In fact, most sectors could not support even one company powered entirely by network effects.

The predictable result was a melt-down of the dot.com industry in 2000 and 2001. In fact, the dot.com phenomenon was of such historic proportions that many institutions are now archiving dot.com business plans in order to learn from the mistakes of that era. Probably, the leading institution engaged in this activity is the Smith School of Business at the University of Maryland. That institution has received grants totaling over one million dollars from the United States Library of Congress and the Sloan Foundation to catalog the excesses of the era for the benefit of future generations.

The microbusiness plan covered in this curriculum is not intended for Wall Street consumption. Most businesses issue either comprehensive plans for use in informing vendors or other profiling activities. The microbusiness plan is more of an operational or internal document used to focus personal business owners on realistic goals and objectives.

The operational/microbusiness curriculum contains the usual business components of:

- 1) Mission statement/overview
- 2) Product/service strategy
- 3) Market analysis
- 4) Marketing plan
- 5) Financial plan

In addition to these elements, the microbusiness curriculum contains the following components:

- 1) Self evaluation techniques and measurements
- 2) Specific licensing and certification requirements
- 3) Personal business networking
- 4) Business ethics
- 5) Insurance (casualty, health and liability)
- 6) Taxes
- 7) Retirement
- 8) Business associations/unions

This handbook was developed for educators and administrators to teach microbusiness planning to career and technical students. The lessons have been designed to serve as a stand-alone course or to be integrated into existing business training courses.

The information presented was compiled from many sources. It was condensed into a simplified – yet comprehensive format to assist educators in disseminating the information to students. The project was designed to incorporate the discipline of a business plan into an integrated, contextual, hands-on guide for students seeking to develop skills necessary to create successful careers in the information/worldwide economy.

Section B

Course Curriculum

Microbusiness Planning

Microbusiness Planning

Course Description

- 1) Contents include all aspects and components of building actionable business plans with special emphasis on preparing a personal or microbusiness plan.
- 2) Particular emphasis has been placed on the individual skills required in preparing plans that are realistic and in conformity with individual career objectives.
- 3) Personal business case study simulations are used in most lesson plans.
- 4) Most plans contain quizzes designed to measure both factual business knowledge as well as attitudinal issues.

Course Objectives

At the completion of the content outline, the student will:

- 1) Recognize how elements in the 'new economy' have created the need for reluctant entrepreneurs.
- 2) Understand the purpose and utility of business plans.
- 3) Be able to construct the various components of a business plan.
- 4) Identify the interpersonal skills required to develop a personal career strategy.
- 5) Understand the impact of taxes, insurance, retirement costs and regulatory issues in operating a microbusiness.
- 6) Be familiar with all licensing or certification requirements for specific career skills in specific geographic areas.
- 7) Recognize the importance of the financial aspects including basic accounting, projections, budgets and access to capital.
- 8) Learn how to handle day to day administrative tasks.
- 9) Appreciate the importance of business ethics.
- 10) Know how to initiate a marketplace assessment for particular personal skills.

- 11) Learn how to develop a career marketplace strategy.
- 12) Understand basic selling techniques including networking for clients and vendors.
- 13) Learn how to utilize e-commerce for marketing, sales and other business purposes.
- 14) Appreciate the importance of forming working trade or business associations with peers.

Content

I Background

- A) Historical roles of government and commerce in career education
 - 1) Agricultural era
 - 2) Industrial era
 - 3) Information era
- B) The global economy
 - 1) Competitiveness
 - 2) Technology
- C) The reluctant entrepreneur

II Purpose of a business plan

- A) Major capital requests
 - 1) Debt – Banks
 - 2) Equity – Investors
- B) Mid size companies
 - 1) Vendors
 - 2) Clients
 - 3) Setting objectives
- C) Microbusinesses
 - 1) Realistic assessment
 - 2) Setting goals
 - 3) Developing road map for implementation

III Components of a microbusiness plan

A) Mission statement

- 1) Defining the business
- 2) Defining the product

B) Personal career strategy

- 1) How the business and product matchup with Personal:
 - a) Abilities
 - b) Goals and desires
 - c) Temperament

C) First steps

- 1) Selection of business type
- 2) Licensing, certification and code requirements
- 3) Operational costs
 - a) Working capital
 - b) Insurance
 - c) Taxes
 - d) Regulatory issues
 - e) Liability/legal issues

D) Marketplace assessment

- 1) Defining the marketplace/market research
- 2) Locating unmet needs in the marketplace
- 3) Use government agencies
- 4) Create an advisory board

E) Developing a marketplace strategy

- 1) Advertising/news releases
- 2) How to develop competitive advantage
- 3) The ABC's of selling
- 4) Networking with clients
- 5) The importance of name identity

F) E-commerce

- 1) Taking your business on-line
- 2) Marketing your web site
- 3) Managing virtual relationships

G) Money issues

- 1) Basic accounting
- 2) Reports
- 3) Projections
- 4) Budgeting
- 5) Access to capital

H) Operational issues

- 1) Locating a workable office space
- 2) Vendor relations
- 3) Credit and collections
- 4) Operating efficiently
- 5) Insurance and legal issues

IV Working with trade associations

- 1) Price leveraging on services
- 2) Vendor networking
- 3) Legislative and regulatory oversight
- 4) A more important element in a dejobbed workplace

Section C

Lesson Plans

LESSON ONE

History of Career Education

Objectives:

- 1) At the completion of this lesson, students will be able to:
- 2) Identify the nature of career education through the major periods of American history.
- 3) Compare and contrast the role played by government, business and educators in the history of career education.
- 4) Recognize major changes to career education that have been brought about through the introduction of new technologies in the American economy.
- 5) Describe the impact of the global economy on wages and job creation.
- 6) Discuss the role and motivation of the reluctant entrepreneur.

Outline: - History of Career Education

- I Major historical periods
 - a) Morrell Act of 1862–Land Grant College Funding
 - b) The Early American period
 - c) World Ascendancy and Social Responsibility – Smith Hughes Act of 1917
 - d) The Pax Americana – 1946 – 1989
- II Globalization and the Information Age
 - a) Competitiveness
 - b) Technology
- III The Reluctant Entrepreneur
 - a) Growth of contract/part-time work
 - b) Growth of single person business

LESSON TWO

Purpose of a Business Plan

Objectives:

At the completion of this lesson, students will be able to:

- 1) Differentiate between various types of business plans.
- 2) Discuss why major companies prepare business plans.
- 3) Identify the principal reasons why mid-sized companies issue business plans.
- 4) Discuss the major reasons why personal or microbusiness entities need a business plan.
- 5) Differentiate between useful and ineffective business plans.
- 6) Determine if the personal microbusiness plan under consideration is realistic and operable.

Outline – Purpose of a Business Plan

I Business plans for Wall Street

- a) Seeking investors
- b) Seeking loans
- c) Profile enhancement

II Business plans for mid-sized companies

- a) Seeking credit
- b) Vendor relations
- c) Client relations
- d) Benchmarks for objectives

III Microbusiness plans

- a) Realistic assessment
- b) Setting goals
- c) Road map for implementation
- d) Examples of poor business plans
 - 1) dot.com simulation

IV Self-administered quiz

- a) Do your skills enable you to serve a niche or growing market?
- b) Do you know how to price your skills in the marketplace?
- c) Do you know how to identify clients/employers?
- d) Can you convince clients/employers that you can provide the service more efficiently than your competition?
- e) Have you provided for contingencies and interim cash needs?

LESSON THREE

Personal Mission Statement

Objectives:

At the completion of this lesson, students will be able to:

- 1) Describe the importance of defining a personal mission statement.
- 2) Be able to clearly define the unique value of their marketplace skills and specialties.
- 3) Develop a realistic road map for implementation of their personal mission statement.
- 4) Determine their personal strengths and weaknesses in selling their skills to the marketplace.
- 5) Identify advantages they may have in dealing with competitors .

Outline – Personal Mission Statement

I Components of a personal mission statement

- a) Abstract or personal summary of past experience and credentials.
- b) Defining the marketplace for specific skills.
- c) Defining changes in the selected marketplace over the past 5 years.
- d) Setting specific goals and objectives.
- e) Constructing road maps showing how the plan will be implemented.

LESSON FOUR

Initial Organizational Steps

Objectives:

At the completion of this lesson, students will be able to:

- 1) Describe the various steps necessary to set up a personal microbusiness.
- 2) Differentiate between the various legal types of business organizations.
- 3) Explain the licensing and certification requirements for their particular skills.
- 4) Describe the role of insurance in protecting personal business interests.
- 5) Tabulate personal working capital requirements.
- 6) Explain the tax requirements for their personal business.
- 7) Describe the importance of selecting the proper location to conduct a personal microbusiness.
- 8) List the materials and equipment that will be required to operate effectively with their individual skills.

Outline – Initial Organizational Steps

I Legal forms of business

- a) Corporation
 - 1) S Corp
 - 2) C Corp
 - 3) Limited Liability Corp
- b) Partnership
- c) Individual proprietorship

II Licensing and certification requirements

- a) Licensing/certification
 - 1) Federal
 - 2) State
 - 3) Local
- b) Regulatory issues, codes and bonding
 - 1) Federal
 - 2) State
 - 3) Local

III Insurance and Legal Issues

- a) Types of insurance
 - 1) Liability
 - 2) Casualty
 - 3) Health
 - 4) Business interruption
- b) Legal issues
 - 1) Trademarks
 - 2) Patents/copyrights
 - 3) Litigation

IV Self-administered quiz

- a) Do you know the difference between a trademark and a copyright?
- b) Do you know the difference between an at will employment relationship and a contractual relationship?
- c) Why is insurance important?
- d) What are the consequences of not being properly licensed?
- e) Why is a federal tax identification number necessary?

LESSON FIVE

Marketplace Assessment

Objectives:

At the conclusion of this lesson, students will be able to:

- 1) Describe their potential marketplaces.
- 2) Identify niche or growing segments of their respective marketplace.
- 3) Describe several unmet needs in their selected marketplaces.
- 4) List government and non-profit agencies that they can utilize as resources in their marketplace research.
- 5) Describe the profile of prospective customers/employers.
- 6) Identify their marketplace competition.
- 7) Analyze any risk factors involved in marketing their particular skills.
- 8) Explain the advantages of having a mentor or an advisory group.

Outline: - Marketplace Assessment

I Industry analysis

- a) Data on size growth and structures
- b) Target marketing tactics
- c) Marketing mix

II Market segment

- a) Define the industry further by
 - 1) Product features
 - 2) Nature of clients/employers
 - 3) Census reports
 - 4) Government and trade studies

III Strengths and weaknesses

- a) Identifying relative strengths and weaknesses of others currently offering specified skills in the marketplace
 - 1) Modes of distribution
 - 2) Use of latest technology

IV Unexploited opportunities

Utilizing market research to find additional niches and opportunities to explore with their specified skill sets

- a) Compete more effectively
- b) Charge higher prices

LESSON SIX

Developing a Marketplace Strategy

Objectives:

At the completion of this lesson, the students will be able to:

- 1) Describe a marketing plan.
- 2) Discuss ways in which a marketing plan can be gauged for effectiveness.
- 3) Explain the importance of name identity/reputation.
- 4) Differentiate between marketing and sales activity.
- 5) Explain the importance of pricing strategy.
- 6) List the various distribution channels for selling their product or service.
- 7) Describe the advantages of networking.
- 8) Discuss the elements of an effective advertising and promotion program.

Outline – Developing a marketplace strategy

I Elements of a marketing plan

- a) Define marketing and sales objectives
- b) Incorporate industry analysis into objectives
- c) Develop a pricing strategy
 - 1) Price setting policy
 - 2) Break even analysis
 - 3) Competitor pricing
 - 4) Distribution channels
 - a) Direct sales
 - b) Indirect sales
 - c) Shotgun sales tactics
 - d) Selective/rifle tactics
 - e) OEM distribution
 - f) VAR (value added retailer)
 - 5) Advertising and promotions
 - a) Advertising budget
 - b) Trade shows
 - c) Direct mail
 - d) Media access
 - e) Channel promotions

II Selling methods

- a) Universal selling methods
- b) Differential selling
- c) Concentrated selling

III Networking

LESSON SEVEN

E-Commerce

Objectives:

At the completion of this lesson, students will be able to:

- 1) Discuss the elements of e-commerce.
- 2) Identify the technology required for internet access.
- 3) Describe the process involved in billing and accepting credit card payments online.
- 4) Explain how product/service will be bundled and priced.
- 5) Explain how supply and delivery channels interface with an online service.
- 6) Describe the purpose of encryption techniques.
- 7) Identify at least ten strategies for promoting products/services on line.

Outline – E-commerce

- I E-commerce elements
 - a) Required technology
 - b) Costs
 - c) Billing and credit card issues
 - d) Supply and delivery channels
- II Marketing the website
 - a) Listing on directories or search engines
 - b) Free newsletter
 - c) Develop links with other businesses
 - d) Testimonials
 - e) Autoresponders
 - f) Ad swaps
 - g) Webrings
 - h) Signature blurbs
 - i) Write articles
 - j) Referral marketing
 - k) Premiums and contests
- III Managing virtual relationships
 - a) Billing and collection
 - b) Accepting credit cards
 - c) Encryption and security issues
 - d) Delivery and supply chain

LESSON EIGHT

Financial Issues

Objectives:

At the completion of this lesson, students will be able to:

- 1) Explain the basic elements of and the need for a double entry accounting system.
- 2) Describe the types of financial statements and their uses.
- 3) Describe the importance of a budget.
- 4) Explain the purpose and use of an income statement.
- 5) Explain the purpose and use of a balance sheet.
- 6) Define the major line items of both income statements and balance sheets.
- 7) Define the break-even concept.
- 8) Explain cash flow.
- 9) Explain how to identify capital needs.
- 10) Identify the various types of capital.

Outline – Financial Issues

I Basic accounting

- a) Double entry bookkeeping
 - 1) Manual systems
 - 2) Quicken and computer systems
- b) Types of financial statements
 - 1) Income statement
 - 2) Balance sheet
 - 3) Budget
- c) Accounting concepts
 - 1) Cash flow
 - 2) Break-even analysis
 - 3) Working capital

II Access to capital

- a) Identifying the need for capital
 - 1) Working capital
 - 2) Growth capital
 - 3) Banking relationships

III Sources of capital

- a) Self funding
 - 1) Personal savings
 - 2) Home and insurance equity
- b) Supplier credit
- c) Trade or barter

IV Commercial sources

- a) Banks
- b) Commercial finance companies
- c) 'Angel' investors
- d) Franchisors
- e) Private placements
- f) Limited partnerships

V Government sources

- a) United States Small Business Administration (USSBA)
- b) State Business and Industrial Development Corps. (SBIDC)

VI Simulation/case study

Increased business activity leads to cash flow problems

LESSON NINE

Operational Issues

Objectives:

At the completion of this lesson, the students will be able to:

- 1) Explain the importance of finding the right location to conduct business activity.
- 2) Define the operational activities involved in granting credit and collecting open accounts.
- 3) Identify at least six key operating efficiencies.
- 4) Differentiate between the various types of insurance required in running a business.
- 5) Identify potential legal risks for the average small business.
- 6) Discuss the various local regulatory issues involved in establishing a business.

Outline – operational issues

I Business location

- a) Space
- b) Accessibility to clients and suppliers
- c) Costs

II Community relations

- a) Zoning
- b) Licensing
- c) Referral benefits

III Cash flow

- a) Vendor/supplier purchases
 - 1) Accounts payable
 - 2) Payment terms
- b) Client sales
 - 1) Credit evaluation
 - 2) Accounts receivable

IV Insurance

- a) Casualty
- b) Health
- c) Liability
- d) Business interruption

V Legal

- a) Contracts
 - 1) Services
 - 2) Providing goods
- b) Patents and copyrights
- c) Litigation

VI Operating efficiently

- a) Allocations
 - 1) Time
 - 2) Money
 - 3) People
- b) Setting priorities
- c) Backup systems
 - 1) Computers
 - 2) Accounting systems
 - 3) Alternative distribution channels/suppliers
- d) Record systems
 - 1) Accessibility
 - 2) Universal standards

VII Simulation/case study

Lawsuit is initiated by a former client for breach of contract

LESSON TEN

Strategic Alliances

Objectives:

At the completion of this lesson, students will be able to:

- 1) Explain the importance of networking with vendors.
- 2) List at least five advantages associated with participating in Trade Associations.
- 3) Discuss how client networking is accomplished.
- 4) Differentiate between an employment agency and an employment search firm.
- 5) List at least ten advantages received from active participation in a peer advisory association.

Outline – strategic alliances

I Networking

- a) Vendors
- b) Clients

II Trade associations

- a) Research
- b) Industry interchange
- c) Legislative and regulatory

III Employment search firms

- a) Differentiate between an employment agency and an employment search firm
- b) Commercial/private agencies
- c) Government related agencies
 - 1) Federal
 - 2) State
 - 3) Local

IV Peer advisory associations

- a) Group purchasing power
 - 1) Insurance
 - 2) Legal services
 - 3) Equipment and supply purchases
- b) Marketplace leverage
 - 1) Compensation
 - 2) Working conditions

V Simulations/case studies (2)

- a) Clients are using your bids to solicit lower bids from your competition
- b) Certain clients are consistently late with payments and make unauthorized deductions from billings

Section D

PowerPoint Presentation

Powerpoint Presentation

(Overview of project)

The Historical Perspective

- Agricultural Era
- Industrial Era
- Service Era

The Modern Era

- Globalization
- Service and Results
- The Reluctant Entrepreneur

Irreversible Trends

- Increase in single person businesses (U.S. Census Bureau (Chart))
- Decrease in Permanent Jobs (U.S. Census Bureau (Chart))
- Increase in Retirees Setting Up Personal Businesses (U.S. Census Bureau (Chart))

Purpose of a Business Plan

- Types of Plans
- Examples of Poor Business Plans

Personal Mission Statement

- Personal Skill Inventory
- Defining the Marketplace
- Setting Specific Goals
- Constructing a Road Map

Initial Organizational Steps

- Licensing and Regulatory Issues
- Insurance and Legal Issues

Marketplace Assessment

- Industry and Market Segmenting
- Unexploited Opportunities

Developing a Marketplace Strategy

- Define Objectives
- Pricing Strategies
- Distribution Channels
- Advertising and Promotions
- Selling Methods

E-Commerce

- E-Commerce Elements
- Marketing the Website
- Managing Virtual Relationships

Financial Issues

- Accounting Aspects
- Access to Capital
- Sources of Capital

Operational Issues

- Community Issues
- Backroom Operations
- Operating Efficiently

Strategic Alliances

- Trade Associations
- Search Firms
- Peer Advisory Groups

Societal Initiatives

- Business
- Government
- Schools
- New Institutions
- Associations

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