

New Bedford Public Schools
Division of Adult & Continuing Education

New Bedford High School Evening Extension

2019 – 2020 School Year
Trimester III

Learning Packet #2
for
Entrepreneurship

Teacher: *Mr. Helder Almeida*
New Bedford High School Evening Extension
New Bedford Public Schools
halmeida91@gmail.com

Email Ms. Faria with questions/concerns regarding this packet at the email address listed above.

Due date: May 4, 2020

Name: _____

In this lesson, you will learn to:

- Explain various ways to fund a new business
- Analyze sample elevator pitches and their effectiveness
- Understand how social media marketing can help reach your target audience
- Identify key considerations when hiring for your new business

A. **Discussion Prompts:** Write your responses to the questions. Then, share what you wrote with your classmates or a partner.

1. Do you currently follow any companies or businesses on social media? Why or why not?

B. **Fund Your Business:** Once you've built your business plan, it's time to start raising funds to get your business up and running! Luckily, you have a variety of options you can turn to to get funding - each with their benefits and challenges. Read the article up until the section titled *Use Lender Match*. Then, complete the table.

1. Describe the basics of each method of raising money for a business by completing the table below.

Method	Description
Self-Funding	
Investors	
Crowdfunding	

D. **ANALYZE: 4 Elevator Pitches:** Now that you know some of the basics of what makes an effective elevator pitch, let's take a look at a few examples. Follow the directions on this worksheet to complete the activity.

E. **Social Media Strategy for Start-ups and Small Businesses**

Congratulations! You got the funding to get your business up and running! It's now time to ramp up your marketing efforts. Social media marketing has revolutionized how small businesses spread the word because it's a cheap, yet effective, way to spread awareness of what they offer. Review the infographic to learn how to use social media marketing. Then, answer the questions.

1. What percent of consumers use social networking tools to research a product?
2. Using specific details from the infographic, explain why social media marketing is important for 21st century entrepreneurs.
3. Step #7 suggests that business owners create a content bank. Think back to your business idea that you brainstormed a prototype for from the previous lesson. What kind of social media content could you create to draw attention to your product or service?

F. Hiring Tips from Guy Kawasaki

As you continue to build your business, you may find it helpful to also grow your team! What can you do as a leader to find reliable employees? Read the article snippet to learn more about hiring team members. Then, answer the questions.

1. What is the shopping center test?
2. If you're starting your own brand new business, why would hiring team members be extra important?

G. Exit Ticket

1. \Which small business funding type requires you to give up some control or ownership of your business?
 - a. Self-Funding
 - b. Investors
 - c. Crowdfunding
 - d. Small Business Loan
2. Explain what makes an effective elevator pitch stand out.
3. Your friend is starting a new Instagram account for his small business. What advice would you give him as he is creating marketing content on social media?

Guy Kawasaki Explains The Art of the Start

By Full Bio Follow LinkedIn Follow Twitter Scott Allen is a former writer for The Balance SMB. He is the co-author of two online business books and is considered a social innovation architect. Read The Balance's editorial policies Scott Allen



Send to
Kindle

Guy Kawasaki made a name for himself at Apple in the 1980s as the evangelist who helped launch the Macintosh computer. As founder and CEO of Garage Technology Ventures, he has tested and proven his ideas with dozens of startup companies. He is the author of over half a dozen business books, including *Rules for Revolutionaries*, *Selling the Dream* and *How to Drive Your Competition Crazy*.

We had the privilege recently of attending a presentation by Mr. Kawasaki on his latest book, *The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything*. He's a tremendously entertaining speaker - funny, irreverent, and above all, insightful. He built his presentation around his top ten tips for anyone starting anything - entrepreneurs, intrapreneurs, non-profit ventures. We share them with you here, along with a few of his choice quips that you won't find in the book.

Focus on making meaning, not money. If your vision for your company is to grow it just to flip it to a large company or to take it public and cash out, "you're doomed". Kawasaki says that great companies are built around one of three kinds of meaning:

1. **Increase the quality of life.** Make people more productive or their lives easier or more enjoyable.
2. **Right a wrong.** A variant on the above. Be a part of the solution, not a part of the problem.

3. **Prevent the end of something good.** Preserve something classic or historical. Save the whales.

Kawasaki took a jab at corporate mission statements by showing Wendy's mission statement:

Our guiding mission is to deliver superior quality products and services for our customers and communities through leadership, innovation and partnerships.

"I love Wendy's," he said, "but I had no idea that every time I eat there I'm participating in all of that." He says if you want to create a generic mission statement, you can save yourself tens of thousands of dollars for a retreat, facilitators, etc., with the Dilbert Mission Statement Generator. Instead, Kawasaki recommends coming up with a simple mantra, preferably three words or less, that succinctly describes your core values. Some examples he gave:

- Wendy's: "Healthy fast food"
- FedEx: "Peace of mind"
- Nike: "Authentic athletic performance"
- Guy Kawasaki: "Empower entrepreneurs"

Great companies aren't created when a book retailer says, "We're going to change the way books are sold. Instead of carrying 250,000 titles, we're going to carry 275,000." Great companies are created when you say, "Instead of 250,000 titles, we're going to carry 2.5 million." Then you have Amazon. He offers three tips for how to do this:

1. **Reboot your brain.** You have to break old patterns of behavior in order to adopt new ones. (Also avoid analysis paralysis).
2. **Kill the cash cows.** The obvious ones are the external ones - the dominant competitors in the space. If you beat them, you beat everybody else, too. The

not-so-obvious ones, though, are the internal ones. This mainly applies when launching a new product within an existing company. For example, Apple had to kill the Apple II in order to make way for the Macintosh. They could have continued milking it, but they would have eventually gotten passed up by everybody else. Clear away the old to make room for the new.

3. **Polarize people.** You can't please everyone. It's better to have a small, fiercely loyal customer base than to create a mediocre product that fades quickly into obscurity. Some examples he gave were the Macintosh, Harley-Davidson, Tivo, and the Scion XP (People under 25 look at it and say, "Hey, cool car!" People over 25 look at it and say, "It must have been designed by someone who got fired from Volvo.")

Don't get caught in "analysis paralysis". Some tips to keep you moving forward:

- **Don't type, prototype.** There are two kinds of entrepreneurs, he says. One kind thinks that Microsoft Office is the killer app for entrepreneurs. You write your business plan, you create forecasting spreadsheets, you build PowerPoint presentations for clients and investors, etc. The other kind uses AutoCAD to design the product, a compiler to write the code, etc. -- whatever it takes to start actually making the product.
- **Don't worry, be crappy.** Voltaire once said, "The best is the enemy of the good." If companies waited to completely perfect a product before releasing it, they would never get anything out. It's OK if your 1.0 release is a little rough around the edges, so long as it still creates value for customers. Of course, he says, "This doesn't apply if you're developing medical equipment."
- **Find soulmates.** "Every young visionary needs adult supervision," he jokes. Behind every Bill Gates is a Steve Ballmer. Behind Steve Jobs is a Steve Wozniak. Build a management team that shares your vision and your enthusiasm, but complements your weaknesses with their strengths.

Ideally, you create something that is both of high value to customers and that few others are doing. If you consider uniqueness and value creation as the two parameters, you have four quadrants:

- **High value, low uniqueness** - You compete on price.
- **Low value, high uniqueness** - This is what he refers to as the "stupid" quadrant. It doesn't matter if you have no competition if no one wants to buy your product.
- **Low value, low uniqueness** - The "dotcom" quadrant. At one point, someone said, "We're going to change how people buy dog food. We're going to sell it online. We'll cut out the middleman and people will be able to buy it cheaper." But they forgot one thing: dog food is heavy. The money saved was offset by high shipping costs. The crazy thing is not that a company didn't realize this, but that at one point, *16 companies* were selling dog food online. Of course, most of them are no longer in business - no great surprise.
- **High value, high uniqueness** - This is where you make money, margins and meaning.

Your best customers may not be who you expect them to be, and no matter how good you are, no matter how much market research you do, you can't perfectly predict what will happen in the real world. Kawasaki suggests the following:

- **Sow fields, not window boxes.** Niche positioning is critical, but spread your message far and wide, as much as your budget will allow. Narrowcast your marketing message too much and you may miss out on a market you didn't even realize existed.
- **Look for agnostics, not atheists.** Everyone wants to have those "marquee customers", but large corporations are usually resistant to those ideas that "jump the curve". Find the early adopters who are open to new ideas and save the big fish for later.

- **Don't be proud.** Don't be surprised when the people who are buying your product aren't your intended target market. Instead find out why they're buying it and capitalize on your newfound good fortune.

When making presentations to clients or investors, use:

- **10 slides** - Not 50 as most people do
- **20 minutes** - You may have an hour, but some people will be late, others may leave early, and you want plenty of time for Q&A.
- **30 point font** - If you use a small font, it usually means you're trying to use a lot of text, which implies that you're a lousy speaker (which most tech company CEOs are, he says). Why? Because they don't practice.

Hire people who are as passionate about your product as you are (or at least close to it).

- **Ignore the irrelevant.** A shared passion is far more important than education or relevant work experience. These employees will be more loyal and motivated. Kawasaki himself was working at a jeweler "counting diamonds" when he took the job at Apple. But, he says, the first time he saw the Macintosh, it put tears in his eyes. That's what made him more qualified for the job than anyone else.
- **Hire better than yourself.** "A" players hire "A+" players, but "B" players hire "C", "C" hire "D", etc., leading to what he calls a "bozo explosion". Hire people who make you look smart for hiring them, not by comparison to them.
- **Do the shopping center test.** Imagine you see a recently-interviewed candidate at a distance in the shopping mall. Do you...
 - ...walk directly over to them, tell them how great the company is, and encourage them to come on board?

- ...figure it's a big place and maybe you'll run into them, maybe you won't?
- ...deliberately avoid them?

If your answer is any other than the first one, don't hire them.

Make it easy for people to buy and use your product:

- **Flatten the learning curve.** Good products should be intuitive to use without having to refer to a manual or take a class. For example, do you know how to set the clock on your VCR? Why is that even a challenge?
- **Don't ask people to do something you wouldn't do.** While his example of a nuclear-powered mousetrap (that you have to drive to Utah to dispose of the waste) was a bit far-fetched, his story about the Kawai Hyatt Regency hit close to him. At that hotel, there are free washing machines on every floor. People don't want to pay several dollars to wash resort clothes, especially when they're already paying \$250 a night for the room!
- **Embrace your evangelists.** Whether they're your employees or your customers, include them in everything you do. Do everything you can to give them a voice. They are your very best marketing.

Some bozos are easy to spot. They're grumpy, cynical people who shoot down all your ideas. But beware the "successful bozo" wearing a nice suit. "People automatically equate 'rich' with 'smart'," he says. "That's a big dialectical leap." Often very successful people can't embrace the next curve.

After pointing out some famous tech industry foolishness, he told his own personal bozo story. At one point, he turned down a job interview to become the CEO of a Silicon Valley startup, saying, "It's too far to drive, and I don't see how it can be a business." The company? Yahoo. Kawasaki figures that decision cost him about \$2 billion.

"I've been thinking about that for ten years," he said. "And you know what? I made the right decision. I got to spend lots of time with my wife and sons while they were young. I didn't want them to grow up, go off to college, and end up wondering who each other was."

"That explains the first billion," he quipped. "The second billion still pisses me off."

Kawasaki finished off with a Q&A session. The first question out of the chute was, "What's the next big thing?" His answer: "I'm a marketer, not a visionary. I can see the idea and tell you if it will sell or not. If I knew what the next big thing was, I'd either be doing it or funding it. And I certainly wouldn't be telling this audience."

Thanks to Texchange, the organizers of the event. To learn more about Guy Kawasaki, including a free book excerpt, an entrepreneurial IQ test, and more, visit GuyKawasaki.com.

<https://www.thebalancesmb.com/guy-kawasaki-explains-the-art-of-the-start-1201033>

A Killer Social Media Strategy for Start-ups and Small Businesses



The Power of Social Media



92% of Marketers said Social Media is important to their Businesses



97% of Marketers are using some form of Social Media Marketing

74% of Adult Internet Users Utilize Social Media



64% of Sales Teams who use Social Media Reach their Sales Quotas



55% of all Buyers use Social Networking to Research a Product



61% of B2B Marketers use Social Media Networks to Build Leads

31% of Overall Traffic to Websites is Driven by the Top 8 Social Networks



At the Beginning of 2016, there were

4.2 BILLION Active Monthly Social Media Users on the Top 8 Social Networks

12 Simple Steps for an Effective Social Media Strategy



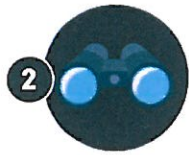
1 Define Target Audience

Age, Gender, Location, Income and Education
Use **Alexa** and **Google Adwords** for Research



7 Create a Content Bank

Blog Posts, Videos, Pictures,
Infographics & Quick Tips

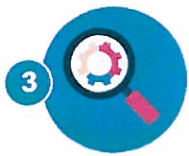


2 Research Buyer Persona

Use **MakeMyPersona.com** for Persona
Creation



8 Engage and Build Relationships



3 Research Influencers

Use **BuzzSumo** for Research



9 Maintain a Consistent Content Publishing Cycle



4 Identify Social Media Platforms used by Buyer Persona

Use **BuzzSumo** and **Ahrefs** for Research



10 Invest on Getting More Social Followers; Share Expert's Content



5 Look at Competitor's Preferred Social Platforms

Use **BuzzSumo** and **Ahrefs** for Research



11 Automate Social Sharing with Tools Like Buffer and Hootsuite



6 Produce Content that addresses Buyer Persona Pain Points

Use **Quora** and **Forums** for Research



12 Evaluate Your Results and Improve Your Strategy

References:

<http://www.imediaconnection.com/articles/ported-articles/red-dot-articles/2015/apr/the-5-core-pillars-of-social-marketing-success>
<http://www.adweek.com/news/advertising-branding/glimpse-marketers-social-media-strategies-159962>
<https://www.quickprout.com/2015/06/15/stop-guessing-heres-a-social-media-strategy-that-works>
<http://youescapefrom9to5.com/social-media-monthly-active-users-infographic>
<http://www.socialdelight.net/social-media-marketing-consultancy>
<http://www.pewinternet.org/fact-sheets/social-networking-fact-sheet>
<http://blog.hubspot.com/sales/social-selling-stats-that-will-inspire-you>
<http://blog.hubspot.com/sales/surprising-statistics-on-social-selling>

Infographic By:



SocialMediaMarketo.com

Name: _____

In this lesson, you will learn to:

- Explain various ways to fund a new business
- Analyze sample elevator pitches and their effectiveness
- Understand how social media marketing can help reach your target audience
- Identify key considerations when hiring for your new business

Discussion Prompts: Write your responses to the questions. Then, share what you wrote with your
ANALYZE: 4 Elevator Pitches

When spreading the word about your business or asking people for money, it's important to have a pitch that succinctly tells potential investors or partners what you're doing and why they should join you.

PART I: Analyze Pitches

When investors are considering investing money in businesses, they listen to many pitches. Now it's your turn to be an investor!

1. Watch the pitches listed below and complete the middle 2 columns to evaluate each pitch (explain what each pitch did well and how they could improve).

2. Pretend you have \$20,000 to invest. Once you've watched all the pitches, decide which businesses you will invest in. Complete the last column of the table by indicating how much you want to invest in each business. (You may invest in 1 business, or multiple businesses and split the money up however you'd like)

Pitch	Product	Evaluation of Pitch	How Much Will I Invest?
CupAd			
MissApp			
Hot Seat			
Slap Wrap Straps			

3. Explain your rationale for how you decided to invest.


PART II: Share with a Partner

With a classmate, discuss and explain your answers to the table above.

4. How did your funding decisions differ?

5. What is something that your partner considered that you didn't? Is it something you'd going to consider in the future? Why or why not?


Fund your business

 Send to Kindle

Every business has different needs, and no financial solution is one size fits all. Your personal financial situation and vision for your business will shape the financial future of your business.

Once you know how much startup funding you'll need, it's time to figure out how you'll get it.

 Piggy bank **Self-funding**

 Man in shirt and tie **Investors**

 Bank and money **Loans**

Otherwise known as bootstrapping, self-funding lets you leverage your own financial resources to support your business. Self-funding can come in the form of turning to family and friends for capital, using your savings accounts, or even tapping into your 401k.

With self-funding, you retain complete control over the business but you also take on all the risk yourself. Be careful not to spend more than you can afford, and be especially careful if you choose to use tap into retirement accounts early. You might face expensive fees or penalties, or damage your ability to retire on time — so you should check with your plan's administrator and a personal financial advisor first.

Investors can give you funding to start your business in the form of venture capital investments. Venture capital is normally offered in exchange for an

ownership share and active role in the company.

Venture capital differs from traditional financing in a number of important ways.

Venture capital typically:

- Focuses high-growth companies
- Invests capital in return for equity, rather than debt (it's not a loan)
- Takes higher risks in exchange for potential higher returns
- Has a longer investment horizon than traditional financing

Almost all venture capitalists will, at a minimum, want a seat on the board of directors. So be prepared to give up some portion of both control and ownership of your company in exchange for funding.

There's no guaranteed way to get venture capital, but the process generally follows a standard order of basic steps.

1. **Find an investor**

Look for individual investors — sometimes called “angel investors” — or venture capital firms. Be sure to do enough background research to know if the investor is reputable and has experience working with startup companies.

2. **Share your business plan**

The investor will review your business plan to make sure it meets their investing criteria. Most investment funds concentrate on an industry, geographic area, or stage of business development.

3. **Go through due diligence review**

The investors will look at your company's management team, market, products and services, corporate governance documents, and financial statements.

4. **Work out the terms**

If they want to invest, the next step is to agree on a term sheet that describes

the terms and conditions for the fund to make an investment.

5. Investment

Once you agree on a term sheet, you can get the investment! Once a venture fund has invested, it becomes actively involved in the company. Venture funds normally come in “rounds.” As the company meets milestones, further rounds of financing are made available, with adjustments in price as the company executes its plan.

When John and Kelly didn’t have enough money to open their auto repair shop, they got an SBA-backed loan to help start their business.

Crowdfunding raises funds for a business from a large number of people, called crowdfunders. Crowdfunders aren’t technically investors, because they don’t receive a share of ownership in the business and don’t expect a financial return on their money.

Instead, crowdfunders expect to get a “gift” from your company as thanks for their contribution. Often, that gift is the product you plan to sell or other special perks, like meeting the business owner or getting their name in the credits. This makes crowdfunding a popular option for people who want to produce creative works (like a documentary), or a physical product (like a high-tech cooler).

Crowdfunding is also popular because it’s very low risk for business owners. Not only do you get to retain full control of your company, but if your plan fails, you’re typically under no obligation to repay your crowdfunders. Every crowdfunding platform is different, so make sure to read the fine print and understand your full financial and legal obligations.

If you want to retain complete control of your business, but don’t have enough funds to start, consider a small business loan.

To increase your chances of securing a loan, you should have a business plan, expense sheet, and financial projections for the next five years. These tools will give you an idea of how much you'll need to ask for, and will help the bank know they're making a smart choice by giving you a loan.

Once you have your materials ready, contact banks and credit unions to request a loan. You'll want to compare offers to get the best possible terms for your loan.

If you have trouble getting a traditional business loan, you should look into SBA-guaranteed loans. When a bank thinks your business is too risky to lend money to, the SBA can agree to guarantee your loan. That way, the bank has less risk and is more willing to give your business a loan.

Use Lender Match to find lenders who offer SBA-guaranteed loans.

SBICs are privately owned and managed investment funds licensed and regulated by the Small Business Administration. They use their own capital, plus funds borrowed with an SBA guarantee, to make equity and debt investments in qualifying small businesses. Learn more about SBICs to see if your business might qualify.

This program offers funding opportunities in the federal innovation research and development arena. Small businesses who qualify for this program work with nonprofit research institutions in the early and intermediate stages of starting up. Find out if the STTR program makes sense for your business.

Need help? Get free business counseling.

Connect with a SCORE, Small Business Development Center, Women's Business Center or Veterans Business Outreach Center adviser today.