

How to Start a Business

KS4 Super Curriculum



Introduction

Most businesses start off with a **simple idea** but **limited funding**. This challenge allows you to imagine what business you could create with just **£100** start up funds and the creation of a **business plan**.



STEP 1 – Know what it takes to be a successful entrepreneur

Watch this [clip](#) from Richard Branson



You should now consider the following questions:

- Why do entrepreneurs start their own businesses?
- What are their skills and characteristics?
- What are the risks and rewards of being entrepreneur?

STEP 2 – Know your market

A big part of knowing whether your business will be successful is understanding your audience.

Make sure your plan is clear about your target market – who will you be selling to and how many other companies are already selling similar products?



You should consider the following questions:

- How is your intended target market for your product or service?
- What primary and secondary market research can you conduct to find out about your customers, their needs, the market and competition?
- In what ways can a product appear unique in the market?
- Why should a business be conscience of their effect on the environment and the community?



Working out how to finance your business idea begins with knowing how much money you are going to need and ask a bank or investor for!

STEP 3 – Know your finances

You should consider the following questions:

- What is your intended selling price?
- What is your estimated level of sales?
- What is your estimated revenue? (**Selling price X sales**)
- What are the variable costs of producing each item?
E.g. raw materials, bough in components and the wages of part-time staff paid by the hour
- What are your fixed costs?
E.g. costs that do not change according to output such as advertising, rent or salaries
- What are your total costs? (**Total variable costs + Fixed costs**)
- What is your estimated profit? (**Sales revenue – total costs**)
- What is your estimate break-even figure in units?
(**Total costs / selling price – variable cost per unit**)



STEP 4 – Know Your Marketing and Branding

The marketing plan section of the business plan explains how you're going to get your customers to buy your products or services.

You should now consider the following questions:

- What products and services do you intend to sell?
- What is your unique selling proposition (USP)
- What is your pricing strategy? E.g. premium or cost plus?
- How will you distribute your products to customers?
- How would you describe your brand for your business?
- What is your advertising and promotions plan?
- How will you drive sales?
- How important is a company's ideology and image when it comes to consumers?





COMPETITION TIME!

Prize available for 1st place!

Honourable mentions for 2nd and 3rd place

How to start a Business

Use your newly acquired knowledge to create a **business plan** for a product idea or service of your choosing – please see suggested guidelines on the next slide and remember you have **just £100** to create this business!

Submit your business plan to the following email address by the closing date.

Email:

Competitions@gordons.school

When you email, please use the subject heading 'KS4 Week 4 How to Start a Business'

Closing date: **9am Friday 26th February 2021.**

Winners will be announced via Schoolcomms



Suggested Business Plan Template

1. What is the name of your business and product/service idea?
2. The objectives (key targets) of the business
3. The firms operations: How are you going to produce the product/service, what raw materials and equipment is needed?
4. What are the main products/services you will provide? What will be your unique selling point that will differentiate it from rivals?
5. Who is your target market and how will your product or service meet their needs?
6. How will you promote your business?
7. What pricing strategy will you use for your business and why?
8. How will you distribute your product or service to customers?
9. Key Financials? What is your estimated selling price, sales revenue, costs, break-even output and profit figures?
10. An overall conclusion/judgement about why you think your business will be successful, which includes supporting evidence