

Entrepreneur Contest Business Building Blocks

OVERVIEW

Participants will create a business plan. Participants can compete individually or as a team with up to four people.

PURPOSE

Design and present a business plan to a select panel of judges – judging panel will be at the Simmons Center on Monday, March 22.

ELIGIBILITY

Entries are limited to ninth – twelfth graders within the Red River Technology Center district. This can be done individually or as a team.

TIME LIMITS

- A.** Entries must be started and completed by Thursday, March 18, 2010 at 5 p.m.
- B.** Each entry is to be submitted to Duncan Area Economic Development Foundation by Thursday, March 18, 2010 at 5 p.m.
- C.** Top ten entries will make a 10 minute presentation to the judges. Monday, March 22 between 3p.m.-4p.m.

The Business Plan – a guide that outlines how a company will achieve its goals and objectives. Consists of Strategic Plan, Marketing Plan and Financial Plan.

- **Strategic Plan or Management Plan** – puts on paper what the company wants to achieve and how you're going to achieve it.

Mission Statement – defines exactly what the company wants to accomplish. (i.e. The business' purpose.)

- **Strategy** – tells how you are going to execute the mission and how to accomplish the company's purpose.
- **Methods of Implementation** – details how the strategy is going to be implemented.

REMEMBER: Strategy is the plan and the Methods of Implementation are how you are going to put the plan into action.

- **The Marketing Plan**

Target Market

- a) Place
- b) Product
- c) Promotion
- d) Price

Also include **Who** you will be reaching and **How** you will reach them. Good Businesses have a core defining things, that distinguishes them in their customers mind. This may be a unique product, special way of delivering customer service, etc.

• **Financial Plan**

INCOME: Think about your earning potential

EXPENSES: Think about how much it costs

Income – Expenses = Profit

Budgeting and Forecasting

Budgeting – you pay attention to your income and expenses.

1. **Forecasting** – you prepare budgets for the future 3 to 5 years or even 10 years. Forecasting looks at past performance, this is an indicator of future performance.

How to set up a Budget: Income – Expenses = Profit

Efficiency and Effectiveness

Efficiency – all the labor and materials used to complete a job. The more time a job takes the less efficient it is. You must track your time and materials per job to see where you are making money.

- a. How much does it cost to complete a particular job?
- b. How much should it cost to complete a particular job?
The fewer the cost the higher the efficiency.
(cost includes materials and labor)

- **Effectiveness = Quality**

- a. Compare the actual product you produce to what it should be.
- b. The measure of effectiveness is similar to the measure of efficiency.
- c. The better the product is, the higher its quality, therefore the more effective it is.
- c. The lower the quality of the product the less effective it is.

Efficiency = labor and materials used to produce a product