

BizWorld

PBLU

Making Projects Click

P B L U . O R G



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SECTION I.

Project Overview

Subjects

ELA, Math, Economics

Time Required

10-15 hours of class time

Grade Level

3rd, 4th, 5th

Project Idea

People start businesses every day, but how do they succeed? In *BizWorld*, students will understand what it means to be an entrepreneur. In this project, students work in teams to form friendship bracelet companies. They raise capital (not actual money, but in a scenario) by pitching to venture capitalists and selling stock and/or by taking out bank loans. The teams travel through the entire entrepreneurial cycle of designing, manufacturing, marketing and selling their bracelets. The project culminates with the Sales Bazaar, at which students perform commercials they have created for an audience of schoolmates and community members, and sell their wares. Throughout the project, students maintain careful financial records, which help in the end to evaluate each company's value.

Content

The *BizWorld* project teaches students the following economics content, and how to apply it in a real-world scenario.

- 👉 Profit Equation ($\text{Revenue} - \text{Expenses} = \text{Profit}$)
- 👉 Entrepreneurial Cycle (Design, Manufacturing, Marketing, Selling)
- 👉 Stock and what it represents
- 👉 Venture capitalist vs. bank — where should I borrow?
- 👉 Supply and demand
- 👉 Effective marketing campaigns
- 👉 Business expenses & assets and liabilities of a company

Although an understanding of the following is not essential for completing the project, teachers can build student knowledge and skills in additional content areas, including:

- 👉 Math: fractions and percentages
- 👉 History: the assembly line
- 👉 Art: effective packaging of products



Common Core State Standards Addressed

The *BizWorld* project addresses the following Common Core State Standards in Mathematics and English Language Arts. For more information see corestandards.org.

Math

ID	CATEGORY	SUB CATEGORY	STANDARD
3.NBT2	Number And Operations In Base Ten	Use Place Value Understanding And Properties Of Operations To Perform Multi-Digit Arithmetic.4	Fluently add and subtract within 1000 using strategies and algorithms based on place value, properties of operations, and/or the relationship between addition and subtraction.
3.NF1	Number And Operations — Fractions5	Develop Understanding Of Fractions As Numbers.	Understand a fraction $1/b$ as the quantity formed by 1 part when a whole is partitioned into b equal parts; understand a fraction a/b as the quantity formed by a parts of size $1/b$.
4.NBT4	Number And Operations In Base Ten2	Use Place Value Understanding And Properties Of Operations To Perform Multi-Digit Arithmetic.	Fluently add and subtract multi-digit whole numbers using the standard algorithm.
5.OA2	Operations And Algebraic Thinking	Write And Interpret Numerical Expressions.	Write simple expressions that record calculations with numbers, and interpret numerical expressions without evaluating them.
5.NBT5	Number And Operations In Base Ten	Perform Operations With Multi-Digit Whole Numbers And With Decimals To Hundredths.	Fluently multiply multi-digit whole numbers using the standard algorithm.



English Language Arts (Standards below address grades 3-5)

ID	CATEGORY	SUB CATEGORY	STANDARD
3.RI.4	Reading Informational	Craft and Structure	Determine the meaning of general academic and domain-specific words and phrases in a text relevant to a grade 3 topic or subject area.
4.RI.4	Reading Informational	Craft and Structure	Determine the meaning of general academic and domain-specific words or phrases in a text relevant to a grade 4 topic or subject area.
5.RI.4	Reading Informational	Craft and Structure	Determine the meaning of general academic and domain-specific words and phrases in a text relevant to a grade 5 topic or subject area.
3.RF.4	Reading Foundational Skills	Fluency	Read with sufficient accuracy and fluency to support comprehension.
4.RF.4	Reading Foundational Skills	Fluency	Read with sufficient accuracy and fluency to support comprehension.
5.RF.4	Reading Foundational Skills	Fluency	Read with sufficient accuracy and fluency to support comprehension.
3.SL.1	Speaking & Listening	Comprehension and Collaboration	Engage effectively in a range of collaborative discussions (one-on-one, in groups, and teacher led) with diverse partners on grade 3 topics and texts, building on others' ideas and expressing their own clearly.
4.SL.1	Speaking & Listening	Comprehension and Collaboration	Engage effectively in a range of collaborative discussions (one-on-one, in groups, and teacher led) with diverse partners on grade 4 topics and texts, building on others' ideas and expressing their own clearly.
5.SL.1	Speaking & Listening	Comprehension and Collaboration	Engage effectively in a range of collaborative discussions (one-on-one, in groups, and teacher led) with diverse partners on grade 5 topics and texts, building on others' ideas and expressing their own clearly.
3.SL.4	Speaking & Listening	Presentation of Knowledge and Ideas	Report on a topic or text, tell a story, or recount an experience with appropriate facts and relevant, descriptive details, speaking clearly at an understandable pace.
4.SL.4	Speaking & Listening	Presentation of Knowledge and Ideas	Report on a topic or text, tell a story, or recount an experience in an organized manner, using appropriate facts and relevant, descriptive details to support main ideas or themes; speak clearly at an understandable pace.
5.SL.4	Speaking & Listening	Presentation of Knowledge and Ideas	Report on a topic or text or present an opinion, sequencing ideas logically and using appropriate facts and relevant, descriptive details to support main ideas or themes; speak clearly at an understandable pace.

* More CCSS are addressed through supplemental activities available on the BizWorld website, bizworld.org.



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SECTION II. Essential Elements of PBL

1. Significant Content

This project is focused on teaching students how to create a business that designs, manufactures, markets and sells a product — all while keeping track of finances. These skills are vital to creating financially responsible citizens who can collaborate and communicate effectively. The project addresses Common Core State Standards in basic math skills and gives students the opportunity to apply math in an authentic, real-world context. The project also addresses Common Core State Standards for reading informational text and for speaking and listening.

2. 21st Century Skills

This project builds students' skills in critical thinking and problem solving, collaboration, and communication — and provides opportunities for creativity. Students must think critically as they consider each step of the entrepreneurial cycle and what will allow them to be the most successful, profitable company. They must use problem solving skills throughout the project: deciding how much stock to sell to the Venture Capitalists, deciding how much string and other supplies to purchase, and weighing the advantages and disadvantages of borrowing a loan from the bank. Students collaborate as a team to make decisions about their company, create a company name and unique product, and develop a business plan to help secure funding for their company. Each student also learns to take on a leadership role within the team — being not only responsible as a company, but also taking ownership of the project. They use communication skills to share ideas with teammates, negotiate funding deals with both venture capitalists and bank loan officers, make critical business decisions, and to present their commercial and product to community members and other students at the Sales Bazaar. Students have many opportunities to be creative, including in the design of their product, their company name, their marketing campaign, and in their overall sales strategy.

3. In-Depth Inquiry

This project is not meant to be a quick, engaging way for students to learn basic business terminology. Instead, it is intended to be an extended investigation into what a successful business is and how they can create one. Students are encouraged to ask their own questions, find information, and create new and innovative solutions for the questions that they will naturally discover as they dig deeper into the process of starting a business. Students initially ask questions such as, "What are venture capitalists?" and "How do I make the most money?" As they develop their businesses and start designing their products, students may ask new questions such as, "Can we get a patent to ensure that our product is unique and distinguishable from the other groups?" and "How can we use an assembly line to make our manufacturing process as efficient as possible?"

4. Driving Question

The Driving Question for this project may be crafted by the students and teacher working together after the Entry Event, but it should be something close to, "How can we, as entrepreneurs, create a successful friendship bracelet company that has a unique product and is financially successful (makes a profit)?" The question frames the students' challenge, and is open-ended: there is no single "right answer" to the question of how to create a successful company with a unique product.

5. Need to Know

After receiving the letter from the mayor of their city that launches the project, students have a compelling reason to create a friendship bracelet company and promote their local community, as well as write a business plan, use math to track finances, and speak persuasively to their potential customers.

6. Voice & Choice

Since there are virtually limitless options for their product, company name, and marketing campaign, students have lots of choices to make. In addition, students also decide how much (or little) money they would like to raise to fund their company and from whom they would like to receive it. They can decide how to manufacture their product, what their prices will be, and what kind of commercial they should create to attract the most business for their company. They make their voices heard when meeting as team to compare ideas and arrive at a consensus, and decide how to present their plan to the venture capitalists and their product to their customers.

7. Revision & Reflection

At several checkpoints during the project, students receive feedback from the teacher — and sometimes from each other — so they can improve the quality of their work. They turn in such products as the *Business Plan* worksheet, bracelet designs, and the *What's in a Name* handout to ensure that they can receive feedback from both the teacher and their team. Additionally, students are able to reflect on their performance during specific tasks (such as the Venture Capitalist Pitch) by using an accompanying rubric to assess themselves (this rubric can be found in the Teacher Resources section at <http://www.bizworld.org/programs/index.php?39>). Students also reflect on how well they solve problems and work together as a team, both during and at the end of the project. After the Sales Bazaar is over and the Company Performance Summary has been calculated, the whole class reflects on the knowledge they've gained and the concepts they've explored, as well as the skills they have built. In addition, they will offer their words of wisdom and advice for any future entrepreneurs.

8. Public Audience

Although this project is a fictitious scenario, students do have a “real” audience. Students present their business plans to a Venture Capitalist. Regardless of whether this part is played by the teacher or a volunteer from the community, students are still being asked to communicate their ideas in a professional manner and negotiate a deal. The Venture Capitalist(s) ask students in-depth questions about their business, its goals, their product, their marketing strategy, why their company is a good investment, and how much stock they are willing to sell. Students must defend their company and negotiate the best possible deal. In addition, students are developing a product which will be purchased (although the currency is not real) by other people — other students, parents, school staff, and community members. Students present their commercials to this same audience. The audience asks questions about both the company and the bracelets, asking students to defend their products and persuade others to purchase from them.



SECTION III.

Teaching BizWorld

Students complete *BizWorld* by following a standard set of activities in a proscribed order. However, within these activities, there will be variation in the timing and in the way students complete them.

The sequence of instructional activities is described below. This sequence is currently being used in many elementary and middle school classrooms and is designed to logically follow the entrepreneurial cycle. Although changes may be necessary to meet time constraints, address the needs of specific student populations, or include supplemental instructional materials, we strongly encourage teachers to adhere to the sequence of activities as closely as possible — at least during the first several times *BizWorld* is taught. Each step is discussed in more detail in the following section, the *Step-by-Step Teaching Guide*.



Sequence of the Project

Preparing for the Project

- 0 Teacher prepares for successful project implementation.

Launching the Project

- 1 Students receive/hear the entry document, the Memo from the Mayor, and discuss it as a class.
- 2 Students develop initial Driving Question with the teacher (whole class discussion).
- 3 Students develop initial “need to know” list with the teacher (whole class discussion).
- 4 Students take pre-assessment to determine business knowledge.

Scaffolding and Managing the Project

- 5 Teacher forms teams of 5-7 students.
- 6 Teacher provides introductory lesson on basic business terminology, making use of a role play activity for the students.
- 7 Students receive the *Profit Equation Worksheet* and complete it in order to show their understanding of revenue and expenses.
- 8 Students receive *Memo 1* and complete it in order to review basic terms.
- 9 Teacher introduces the entrepreneurial cycle to the students and explains the steps they will take with their business.



- 10 Students receive the *Classified Ads* handout and discuss jobs in the company. Based on the job descriptions, students complete *The Right Person for the Job* handout (whole class or teams).
- 11 Individually, students complete their applications for employment.
- 12 Teacher reviews student job application and assigns jobs based on their answers and preferences. OPTIONAL: Students can work as a team to assign jobs.
- 13 Teams work together to complete the team building activity.
- 14 Students agree to terms of employment and sign their business contract.
- 15 Teams work together to create a company name.
- 16 Teacher leads a classroom discussion of what makes a company successful (including ethics).
- 17 Each team receives founding money from the teacher; each company's VP of Finance is responsible for it.
- 18 Teacher provides a lesson on tracking finances, including recording deposits and withdrawals. Students track company's finances using the *Company Ledger* and record their founding money. NOTE: Students should be recording all withdrawals and deposits on their *Company Ledger* from this point on in the project.
- 19 Teacher provides an introductory lesson on raising capital, stock, and incorporation.
- 20 Each team formally incorporates with the "government," receiving 10 shares of stock in exchange for the \$1 BizBuck fee.
- 21 Students prepare a business plan to pitch to the Venture Capitalists (VC).
- 22 Each team presents business plan to VC and receives money in return for selling stock to the VC.
- 23 Teacher leads a classroom discussion on design, companies purchase a Design Package, and each company designs their bracelet on paper (i.e. colors and style).
- 24 Students purchase supplies (string) from the store and create a prototype of their bracelet. (Teacher leads prototyping process by using the *How to Make Friendship Bracelets* handout.)
- 25 Students record and reconcile all finances on *Finance Worksheet A* for the beginning of the project, tallying any earned money through the selling of stock and any expenses.
- 26 Teacher provides a lesson on manufacturing and the different techniques that can be used.
- 27 Teacher provides a lesson on banks and bank loan; students have the option to seek funding (through the bank or the VC) if they need more money to manufacture their bracelets.



- 28** Teams manufacture their bracelets, determining the appropriate technique and amount of supplies to purchase for their group.
- 29** Teams determine prices for their products, based on estimated revenue and expenses.
- 30** Students record and reconcile all finances for the manufacturing portion of the project, tallying any earned money through the selling of stock and any expenses.
- 31** Teacher provides a lesson about marketing and gives students the option to raise more capital in order to fund the marketing process for their company.
- 32** Teams purchase marketing packages and create marketing campaigns (develop logo, slogan, company poster, and live-action commercial).
- 33** Teams create and rehearse commercials to advertise their product.
- 34** Students record and reconcile all finances for the marketing portion of the project, tallying any earned money through the selling of stock and any expenses.

Assessing and Showcasing Student Work

- 35** Teacher prepares students for the Sales Bazaar by discussing sales and customer service; VP of sales should lead team discussion on their own approach to the Sales Bazaar.
- 36** Students set up their “store” for the Sales Bazaar.
- 37** Companies present their commercials to the shoppers (other students/classes, teachers, parents, community members) and sell their product.
- 38** Teams count their revenue, and fill in a final finance worksheet (income statement) to determine their company’s overall profit (or loss).
- 39** Teacher leads a class discussion about valuing the companies, allowing students the opportunity to reflect over their individual and team choices that led to a profit (or loss).
- 40** Students take post-assessment to determine business knowledge after the project.





Step-by-Step Teaching Guide

Each of the above instructional activities is discussed in more depth below, with tips for successful classroom implementation.



Preparing for the Project

0 Teacher prepares for successful project implementation.

Give each student a copy of the Parent/Guardian Letter and instruct students to bring it back before they begin manufacturing.



To learn how to implement a project, take classes at **PBLU.org**, and earn certification as a PBL Teacher if you try this project with students!

The **Parent/Guardian Letter** may be found in the Student Packet section on www.bizworld.org/programs/index.php?39

There are many issues that must be considered before starting a project with students. These include:

- How much time will be devoted to the project?
- Over what time span will you complete this project?
- What resources need to be prepared in advance?
- Do all students have the basic skills (i.e. non-business content, such as reading, working in groups, etc.) they need to tackle the project? If not, is it necessary to pre-teach some of these skills, establish student relationships, or deal with these challenges in other ways?
- Will volunteers/community members be involved in the different roles available?
- How will student groups be formed?
- How will student jobs be assigned (by the teacher or a consensus of each group)?
- How will groups and individuals be held accountable?

In addition to considering the above issues, be sure student and company packets, as well as lesson materials (BizBucks and stock cards) are printed and ready for instruction — or at least underway.

Student/Company Packets as well as **BizBucks** and **stock cards** may be found on <http://www.bizworld.org/programs/index.php?39>

Teachers should plan for a location to hold the Sales Bazaar (classroom or other large space) and arrange for “shoppers” who will purchase bracelets. Shoppers can be: other students, parents, staff, or community members.





Launching the Project

- 1 Students receive/hear the entry document, the Memo from the Mayor, and discuss as a class.

The ***Memo from the Mayor*** may be found
in Section IV, Student Materials.

Have teacher or students read the Entry Document aloud while the whole class focuses on it. The memo can be projected or copied and handed out to students.



Potential Hurdle: *As this memo sets up the problem to be solved, it is essential that the entire class be able to read and comprehend the text. If necessary, employ the same literacy-building strategies you would normally use for this kind of reading material.*

- 2 Students develop a Driving Question with the teacher.

After students have discussed the mayor's memo, present the Driving Question for the project, or write one together with students. A Driving Question is an open-ended question that focuses the students' task in the project. Here is an example of a Driving Question for this project:

How can we, as entrepreneurs, create a friendship bracelet company that has a unique product and is financially successful (makes a profit)?

- 3 Students develop initial "need to know" list with the teacher.

Coach students to identify information they need to know in order to answer the Driving Question. Guiding students to pay close attention to each part of the memo, create list of questions under the heading, "What Do We Need to Know?" list. If students are missing a key piece of information about the content or their task, ask questions to elicit items for the list.

Although each class generally produces a unique need to know list, an example of the type of items that might appear on the list follows.

Example of Initial Need to Know List

What do we need to know?

- What is a venture capitalist?
- How do VC choose who to invest in? How can I make a VC invest in my company?
- What does it mean to be a successful company?
- What is a business plan?
- How do I start a company?



- What will we sell?
- How do we make our product?
- Where do we get our supplies?
- How can we market our product?
- Where will we sell it?



Potential Hurdle: Frequently, students ask “What are BizBucks?” or “Why can’t we use real money?” It is entirely up to the teacher whether or not they decide to use real money. However, we do recommend using BizBucks and explain it in the following way to students: “Most businesses lose money in their first year. Right now, we are using BizBucks, because if you do lose money or go broke, we prefer that you don’t lose real money.”



Potential Hurdle: Students may want to make a product other than friendship bracelets. Explain that the reason the BizWorld program uses the friendship bracelet industry is because we want students to focus on how to create a business and learn the business concepts, not just how to make a product.

4 Students take *Pre-Assessment* to determine business knowledge.

The **Pre-Assessment** may be found on
<http://www.bizworld.org/programs/index.php?39>.

Individually, students will take a short *Pre-Assessment* to determine their current understanding of basic business terminology. It may be taken on paper or online.

Distribute a copy of the pre-assessment to each student or arrange for students to take it online. Explain to students that this will give you an idea of what they already know, but they should try to do their best on it. This will help the teacher and The BizWorld Foundation to measure the change in students’ understanding of business, finance, and entrepreneurial content.



Scaffolding and Managing the Project

5 Teacher forms teams of 5-7 students.

Place students in project teams of 5-7 using a process that works for you and your class. Allow students to have input into the process of forming teams if you feel confident in the students’ ability to do so. Each team of 5-7 will form one company and will work together throughout BizWorld. Although each student will have an individual packet and individual grades, the teams will need to work together to run a successful business.

When grouping students, remember to consider the dynamics of your classroom and students’ strengths as they relate to the different job positions.

NOTE: It is not necessary to form teams at this point; however, students must be in teams prior to step 13.

- 6 Teacher provides introductory lesson on basic business terminology, making use of a role play activity for the students.


The **Lemonade Stand Story-Telling Activity** may be found in the Teacher Resources section on <http://www.bizworld.org/programs/index.php?39>.

Begin discussion by asking students what they know about businesses and to name different examples of businesses they are familiar with from their everyday lives. Introduce the terms “product” and “service”; students should provide you with examples of each.

Use the *Lemonade Stand Story-Telling Activity* to quickly introduce the following vocabulary words:

- Revenue
- Expense
- Profit
- Salary
- Rent
- Loss

To promote student involvement in the discussion, invite a few students to role play the story as you narrate it. Optional: Use a word wall to reinforce new vocabulary words.

 **Potential Hurdle:** Many students believe that “revenue” and “profit” mean the same thing. Make sure students understand that revenue is the money earned from selling your product. Profit is revenue minus expenses. Profit is very important and provides better insight into the financial success (or not) of a company. For example, a company could earn \$10,000 in revenue. If that company spends \$20,000 in expenses, is it successful? No, because there is a loss of \$10,000. However, if the company spent \$1,000 in expenses, they would have had a profit of \$9,000 and been much more successful.

- 7 Students receive the *Profit Equation Worksheet* and complete it in order to show their understanding of revenue and expenses.

The **Profit Equation Worksheet** may be found in the Student Packet, on <http://www.bizworld.org/programs/index.php?39>.

This lesson will enhance students’ understanding of the difference between revenue and profit. Students can work individually, in pairs, or in teams to complete the worksheet by listing ways a company may earn revenue and examples of company’s expenses. Review their answers as a class.



Finance Content Note: This lesson is designed to help students understand the profit equation:

$$\text{Profit} = \text{Revenue} - \text{Expenses}$$



Emphasize that to maximize profits, companies must keep revenue high and expenses low. To help students remember this concept, reinforce it with physical actions [e.g., Revenue high (hands up), Expenses Low (touch your toes)].

- 8** Students receive *Memo 1* and complete it in order to review basic terms.

Memo 1 may be found in the Student Packet, on <http://www.bizworld.org/programs/index.php?39>.

Memo 1 will review basic business concepts. After completion, discuss answers and use this as an opportunity to check for student understanding. Clear up any misconceptions or review any material that is necessary with your class.

Other memos can be found throughout the program. Any memo not outlined in these steps is completely optional, but will help to reinforce business, math, and English Language Arts concepts. The memos can be assigned as either in-class tasks or homework at the discretion of the teacher. To view these memos, download the entire program at www.bizworld.org.

- 9** Teacher introduces the entrepreneurial cycle to the students and explains the steps they will take with their business.

The ***Entrepreneurial Cycle*** diagram can be found in the Teacher Resources section or online at <http://www.bizworld.org/programs/index.php?39>.

Display entrepreneurial cycle (either enlarged on a poster or projected on a screen/smart board). This diagram shows the four steps that each team will cycle through during BizWorld: Design, Manufacturing, Marketing, and Sales. Finance is in the center of the diagram because students will be responsible for tracking finances in each stage. Explain to students that the VP of each section will be in charge during that stage of the cycle (i.e., VP of Design in charge during Design).

- 10** Students receive the *Classified Ads* handout and discuss jobs in the company. Based on the job descriptions, students complete the *Right Person for the Job* handout (whole class or teams).

The ***Classified Ads*** and ***Right Person for the Job*** handouts may be found in the Student Packet on <http://www.bizworld.org/programs/index.php?39>.


Distribute student packets and have all students refer to the *Classified Ads* handout. Discuss and review each company position. Give students examples of the jobs each person will be responsible for and go over the mottos for each position. Discuss the qualities that would make a person successful in a company.

To help students match an applicant's qualifications and skills to a job, complete *The Right Person for the Job* handout (whole class or in teams). Students will evaluate the skill set of a potential employee and assess how well it matches a job description. This lesson will help students to determine the right job for them.

11 Individually, students complete their applications for employment.


The **Job Application** may be found in the Student Packet, on <http://www.bizworld.org/programs/index.php?39>.

Students complete their job applications, designating the job he/she is applying for and naming two alternate positions. Make sure students pick positions that match their strengths. Examples: students who are very talkative often excel in the VP of Marketing or Sales positions.

 **Potential Hurdle:** *You may notice that many students are applying for the same positions. Remind students that each position will have the opportunity to lead their group in different parts of the project (i.e., VP of Design leads during Design portion, VP of Manufacturing leads during the Manufacturing portion).*

12 Teacher reviews student job application and assigns jobs based on their answers and preferences. OPTIONAL: Students can work as a team to assign jobs.

Assign positions based on the skills each student possesses in relation to the job and also the quality of the application. Make sure that each team's VP of Finance has strong mathematical skills as he/she will be responsible for monitoring and correcting all company finances.



 **Potential Hurdle:** *Every group in your classroom may not have six students even though there are six positions for each team. For teams of five, combine VP of Marketing and VP of Sales to be one position. For teams of seven, give two students the role of VP of Marketing.*

13 Teams work together to complete a team building activity.

Once teams and positions are assigned, discuss as a whole class what teamwork is and what makes a good team. Create a word web on the board or chart paper to brainstorm words/phrases that describe a good team.

Dependent on the amount of time you have, complete a team building activity that encourages students to communicate effectively and work together to succeed in a common goal.

Example activities:

-  Line up: have students organize themselves by height, birthday, etc. (make it more challenging by allowing only 1-2 students to talk).
-  Complete a scavenger hunt to find their supplies for the day



14 Students agree to terms of employment and sign their business contract.

The **Business Contract** can be found in the Company Packet on <http://www.bizworld.org/programs/index.php?39>.

Have the President of each company turn to the *Business Contract* in the Company Packet. Explain that each employee of the company will sign the *Business Contract* to show their commitment to the team and their job, just like in real life. To reinforce the importance of their responsibilities, have each student stand, raise their right hand, and repeat after you as you read the contract aloud.


15 Teams work together to create a company name.

The **What's in a Name** handout can be found in the Student Packet on <http://www.bizworld.org/programs/index.php?39>.

Ask students to name examples of company names. What makes these names good? A good company name is:

- Unique
- Reflective of the product the company sells
- Memorable
- Appealing to customers

Distribute the *What's in a Name* handout and tell students to use it to guide a team discussion about their company name. The handout asks students to list options that their group thinks of in terms of the name. Students should reach an agreement on a name and give their reason for picking that name over another.

 **Potential Hurdle:** Many companies tend to be named “_____ Friendship Bracelet Company.” Encourage students to think about the specific product they will design, make and sell. This should inspire their company name. For example, Nike is not called “The Athletic Shoe Company.” Nike is the Greek goddess of victory. Thus, Nike wants to portray an image of winning and victory (important when people wear their shoes and apparel to compete in athletic events).

16 Teacher leads a classroom discussion of what makes a company successful (including ethics).

Lead a discussion about the different ways company success can be measured. Introduce the term “double bottom line” (which means to be successful financially by showing a profit while also being socially responsible). Give students examples of companies that are concerned with the double bottom line. How can the students’ friendship bracelet companies give back to the community? Allow students to brainstorm ways, in their teams, that their company could give back to/support their local community.

Examples of ways to give back to their community or be socially responsible:

- 👉 Make bracelets for a cause (i.e., to support cancer awareness)
- 👉 Partner to promote a local business, school, or sports team
- 👉 Be green by cutting down on paper use/using recycled materials
- 👉 Using the Sales Bazaar as a way to fundraise for something

NOTE: This is an excellent opportunity to turn *BizWorld* into a service learning project. In the past, many schools have chosen to sell products at the Sales Bazaar for real money instead of BizBucks. Then, they have donated their money to a local charity, their own school, etc.

- 17** Each team receives founding money from the teacher; each company's VP of Finance is responsible for it.

Give the VP of Finance \$1 BizBuck (BB). This represents the founder's money. Explain to students that in reality, each founder would contribute some money to the start of their company. Provide each VP of Finance with a plastic bag or box to hold all the BBs.

- 18** Teacher provides a lesson on tracking finances, including recording deposits and withdrawals. Students track company's finances using the *Company Ledger* and record their founding money. NOTE: Students should be recording all withdrawals and deposits on their company ledger from this point on in the project.

The ***Company Ledger*** can be found in the Student Packet at <http://www.bizworld.org/programs/index.php?39>.

The ***Teacher Ledger*** can be found in the Teacher Resources section online as well.


This lesson will introduce the following vocabulary words:

- founder
- entrepreneur
- finance
- capital
- deposit

This lesson focuses on explaining to students why it is so important to track finances and how to do so. Each student will track finances on the *Company Ledger* handout. Demonstrate how to track their first deposit (founder's money) by projecting the Company Ledger on a smart board or overhead and guiding them through the entry.

Distribute \$1BB for each returned *Parent/Guardian Letter*. Have students explain to you how to add this transaction (all in one line) to the Company Ledger. NOTE: Different groups may have a different amount for this entry. Record any group transactions on the *Teacher Ledger*.

Although every student tracks the company's finances on the *Company Ledger*, it is the job of the VP of Finance to ensure that each employee in their company has accurate financial records. Allow the VP of Finance to check each employee's *Company Ledger* at the end of every class period.

 **Potential Hurdle:** *Some companies/employees may have a difficult time tracking finances. Assist groups as necessary at the beginning; however, as the project continues, begin charging a consulting fee to encourage them to check their financial records against one another.*

19 Teacher provides an introductory lesson on raising capital, stock, and incorporation.

The **Stock Pie Chart** can be found in the in the Teacher Resources section, on <http://www.bizworld.org/programs/index.php?39>.

This lesson will introduce the following vocabulary words:

- venture capitalist
- stock
- incorporation.

Discuss with students why they will need more money in order to fund their business (i.e., expenses) and how they will find the money. Explain to students that one way entrepreneurs and new companies raise money is by visiting venture capitalists. Venture capitalists (VC) buy shares of stock (ownership) from a new company. They do this because they hope the company will be successful and they will make more money at a later date. VC invest in companies that seem like new, innovative businesses that will fill a need in society.

Explain to students that companies receive stock once they incorporate with the state government. Explain incorporation (being formally recognized as a business by the state government). Each BizWorld company will receive 10 shares of stock from the government.

Lead a class discussion explaining how selling stock affects the company. Use the *Stock Pie Chart* to guide discussion. What happens to a company that sells one share of stock? Three shares? Seven shares?

20 Each team formally incorporates with the "government," receiving 10 shares of stock in exchange for the \$1 BizBuck fee.

You or a volunteer acts as the State Government. The President of each company pays \$1BB to incorporate and receives 10 shares of stock in return.

21 Students prepare a business plan to pitch to the VC.

The **Business Plan** worksheet can be found in the Student Packet, on <http://www.bizworld.org/programs/index.php?39>.

In order to receive money from the VC, each company will need to pitch to them. A pitch is a formal presentation; to prepare, the teams will create a business plan that details their company and product idea, reasons why they will be successful, and the specific strategies that will make their company a success. Teams should use the *Business Plan Worksheet* to guide their discussion and generate ideas.


Review good presentation skills with the class (i.e., eye contact, firm handshake, enthusiasm, professionalism). Share the *VC Pitch Rubric* with students, so they understand how their pitch will be assessed. Remind students that the better their pitch, the more money they will receive per share.

Each team should also create a plan/negotiation strategy for their visit with the VC. They should know how many shares of stock they are willing to sell and what price they hope to earn for each share. Each team will need a total of \$15-20BB for Part A of BizWorld (through step 26).

22 Each team presents business plan to VC and receives money in return.

The **VC Pitch Rubric** and **VC Questions** can be found in the Teacher Resources section online, at <http://www.bizworld.org/programs/index.php?39>

The teacher or a volunteer plays the role of the VC and listens to each company's pitch (given by the President and VP of Finance). The VC should negotiate a price per share of stock with each company. The companies need \$15-20BB, and the price should be dependent on the quality of the pitch (see *VC Pitch Rubric* and *VC Questions* to help guide the VC in their role). All students should record this deposit on their *Company Ledger*. Teacher/volunteer should record it on the *Teacher Ledger*.

 **Potential Hurdle:** *Some companies/employees may be restless/off-task while waiting for VC negotiations to be completed. To offset this, have each company begin brainstorming design ideas for their products. Once VC pitches/negotiations are complete, you can begin the design discussion with the entire class.*

23 Teacher leads a classroom discussion on design, companies purchase a Design Package, and each company designs their bracelet on paper (i.e. colors and style).

The **General Store Price List** may be found in the Student Packet, at <http://www.bizworld.org/programs/index.php?39>

Discuss the concept of design with your students. Make sure that each company understands that their product should be unique and appeal to their customers.

Each employee in the company, led by the VP of Design, will have the opportunity to design friendship bracelet ideas (style, color, etc.) on paper. To begin, each company will need to purchase a Design Package.

The teacher (or a volunteer) will be the storekeeper. Display the *General Store Price List*. The VP of Design from each company will visit the store and purchase a Design Package (markers, paper, tape, scissors) for \$4BB. Just like in the real world, supplies cost money. It is an expense.

All students should record this withdrawal on their *Company Ledger*. Teacher/volunteer should record it on the *Teacher Ledger*.


VP of Design leads team in design creation and discussion. Teams should decide on which styles they will make into prototypes.


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- 24** Students purchase supplies (string) from the store and create a prototype of their bracelet. (Teacher leads prototyping process by using the *How to Make Friendship Bracelets* handout.)

The ***How to Make Friendship Bracelets*** handout can be found in the Company Packet, online at <http://www.bizworld.org/programs/index.php?39>.

The VP of Design returns to the General Store to purchase string at the retail price in order for each employee in the company to make a bracelet prototype. It is up to each company if they would like to make different designs or all the same one. Record transaction on the *Company Ledger*. Teacher/volunteer should record it on the *Teacher Ledger*.

The teacher leads the prototyping process using the *How to Make Friendship Bracelets* handout and demonstrating the double twist method. Once you have demonstrated making the bracelet, go around the room and help students as necessary.

 **Potential Hurdle:** Some companies/employees may want to use another method for this bracelet. While that is at the discretion of each team, it is recommended that students use the double twist method because it is the fastest. This will allow them to make the highest amount of bracelets in the time provided.

 **Potential Hurdle:** Some students may not master the bracelet making on the first try. Allow his/her teammates to guide a second demonstration now, if time permits, or during manufacturing time.



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- 25** Students record and reconcile all finances on Finance Worksheet A for the beginning of the project, tallying any earned money through the selling of stock and any expenses.

Finance Worksheet A can be found in the Student Packet on <http://www.bizworld.org/programs/index.php?39>.
A ***Sample Finance Worksheet A*** is in the Teacher Resource section.


Prior to beginning *Finance Worksheet A*, allow the VP of Finance to check that all the *Company Ledgers* are up to date.

Use the overhead or a smart board to demonstrate how to fill out Finance Worksheet A. Use the *Teacher Ledger* to clear up any inaccurate numbers from the companies.

Collect expenses:

-  Salaries: \$1BB per employee
-  Rent: \$1BB per company

At the end of *Finance Worksheet A*, the VP of Finance should reconcile the “Cash on Hand” with the physical money that is in their “bank account” (plastic baggie or box). DO NOT MOVE ON UNTIL EACH COMPANY HAS RECONCILED AND ALL FINANCIAL RECORDS ARE ACCURATE.

 **Potential Hurdle:** Some students may not understand why they salary is an expense and not something they earn. Remind students that we are tracking the **company's** finances, not their **individual** finances. Salaries are an expense of a company because they are money spent; the company does not keep each individual's salary.

26 Teacher provides a lesson on manufacturing and the different techniques that can be used.

Discuss the concept of manufacturing with your students. Make sure that each company understands that they will need to make as many quality products as they can in the time allotted for manufacturing.

Introduce the two different manufacturing techniques: job shop and assembly line.

- Job shop: one individual produces a product from start to finish
- Assembly line: a product is assembled step-by-step by multiple individuals, each performing a specific task

The VP of Manufacturing will lead the team in determining which method will work better for them during the manufacturing time.

27 Teacher provides a lesson on banks and bank loans; students have the option to seek funding (through the bank or the VC) if they need more money to manufacture their bracelets.

The **Press Release** can be found in Section V, Teacher Materials; **How a Bank Makes Money** can be found in the Teacher Resources section; **Venture Capitalist vs. Bank** is in the Company Packet, online at <http://www.bizworld.org/programs/index.php?39>

This lesson will introduce the following vocabulary words:

- interest
- bank loans
- funds
- stock market.

Take a poll of the class to see if students will need more money to manufacture their bracelets (most will need money unless they sold a lot of stock). Discuss with students that another option for raising money is to take out a bank loan. Bank loans charge interest.

Use *How a Bank Makes Money* and *Venture Capitalist vs. Bank* to discuss the advantages and disadvantages of receiving funds from each source.

Students will have the option to visit the bank officer (you or a volunteer) or the VC (you or a volunteer) to


secure more funding. All students should record this deposit on their *Company Ledger*. Teacher/volunteer should record it on the *Teacher Ledger*.

NOTE: Due to a dip in the stock market, prices for friendship bracelet stock have fallen. Read the Press Release to the whole class before allowing them to visit the VC or bank.

28 Teams manufacture their bracelets, determining the appropriate technique and amount of supplies to purchase for their group.

VP of Manufacturing leads their company in purchasing string at the retail AND/OR wholesale price from the General Store. All students should record this withdrawal on their *Company Ledger*. Teacher/volunteer should record it on the *Teacher Ledger*.

VP of Manufacturing leads team in manufacturing using either the job shop or assembly line model. Each company should produce at least 20-25 bracelets (suggested time of 45 minutes).

 **Potential Hurdle:** To help keep companies on task during manufacturing time, encourage students to brainstorm marketing ideas (i.e., logo, slogan, commercial song).

29 Teams determine prices for their products, based on estimated revenue and expenses.

The **Pricing Worksheet** can be found in the Student Packet on
<http://www.bizworld.org/programs/index.php?39>

VP of Manufacturing leads the team in using the *Pricing Worksheet* to determine reasonable prices for bracelets based on the company's estimated expenses. Explain to students that they can price their products at different prices based on the complexity of design, color choice, etc.

This lesson will require students to use the following equations:

- Revenue = (Projected) Profit - (Estimated) Expenses
- Profit = Quantity of Product x Price

Determine product prices and sort products into piles/baggies based on these prices. This will make set-up at the Sales Bazaar go much smoother.

30 Students record and reconcile all finances for the manufacturing portion of the project, tallying any earned money through the selling of stock and any expenses.

Finance Worksheet B can be found in the Student Packet on
<http://www.bizworld.org/programs/index.php?39>.

Prior to beginning *Finance Worksheet B*, allow the VP of Finance to check that all the *Company Ledgers* are up to date.

Use the overhead or a smart board to demonstrate how to fill out *Finance Worksheet B*. Use the *Teacher Ledger* to clear up any inaccurate numbers from the companies.

Collect expenses:

- ☛ Salaries: \$1BB per employee
- ☛ Rent: \$1BB per company
- ☛ Interest: \$1BB per \$10BB borrowed

At the end of *Finance Worksheet B*, the VP of Finance should reconcile the “Cash on Hand” with the physical money that is in their “bank account” (plastic baggie or box). DO NOT MOVE ON UNTIL EACH COMPANY HAS RECONCILED AND ALL FINANCIAL RECORDS ARE ACCURATE.

- 31** Teacher provides a lesson about marketing and gives students the option to raise more capital in order to fund the marketing process for their company.

Memo 10 can be found in the Student Packet on <http://www.bizworld.org/programs/index.php?39>.
The second **Press Release (Friendship Bracelets are Hot!)** can be found in Section V, Teacher Materials.

Discuss the concepts of marketing and advertising with your students. Make sure that each company understands that they will need to create a cohesive marketing campaign that includes:

- ☛ Logo
- ☛ Slogan
- ☛ Print advertisement
- ☛ Commercial (30-60 seconds)

Use *Memo 10* to discuss different examples of company logos and slogans. Remind companies that this is their way to gain attention from shoppers in order to influence them to purchase their friendship bracelets.

NOTE: If students need to raise more capital (they will need \$18-20BB for the remainder of the project), they may visit the bank or the VC. Students should record any deposits on their *Company Ledger*. Teacher/volunteer should record it on the *Teacher Ledger*.

- 32** Teams purchase marketing packages and create marketing campaigns (develop logo, slogan, company poster, and live-action commercial).

Creating a Marketing Campaign can be found in the Company Packet on <http://www.bizworld.org/programs/index.php?39>.

The VP of Marketing from each company will visit the General Store and purchase a Marketing Package (markers, paper, poster board) for \$10BB.

All students should record this withdrawal on their *Company Ledger*. Teacher/volunteer should record it on the *Teacher Ledger*.

VP of Manufacturing leads team in creating the marketing campaign.

33 Teams create and rehearse commercials to advertise their product.

To be prepared, teams should rehearse their commercials prior to the Sales Bazaar as well.




34 Students record and reconcile all finances for the marketing portion of the project, tallying any earned money through the selling of stock and any expenses.

Finance Worksheet C can be found in the Student Packet on
<http://www.bizworld.org/programs/index.php?39>.

Prior to beginning *Finance Worksheet C*, allow the VP of Finance to check that all the *Company Ledgers* are up to date.

Use the overhead or a smart board to demonstrate how to fill out *Finance Worksheet C*. Use the *Teacher Ledger* to clear up any inaccurate numbers from the companies.

Collect expenses:

-  Salaries: \$1BB per employee
-  Rent: \$1BB per company
-  Interest: \$1BB per \$10BB borrowed

At the end of *Finance Worksheet C*, the VP of Finance should reconcile the “Cash on Hand” with the physical money that is in their “bank account” (plastic baggie or box). **DO NOT MOVE ON UNTIL EACH COMPANY HAS RECONCILED AND ALL FINANCIAL RECORDS ARE ACCURATE.**

Assessing and Showcasing Student Work

35 Teacher prepares students for the Sales Bazaar by discussing sales and customer service; VP of sales should lead team discussion on their own approach to the Sales Bazaar.

The ***Sales Bazaar Worksheet*** can be found in the Company Packet
on <http://www.bizworld.org/programs/index.php?39>.

Lead a discussion with students on providing good customer service.

The VP of Finance should record the amount of BizBucks before the Sales Bazaar on the *Sales Bazaar Worksheet*, found in the Company Packet.

36 Students set up their “store” for the Sales Bazaar.

The VP of Sales should lead the team in setting up their store and preparing to sell their bracelets.

37 Companies present their commercials to the shoppers (other students/classes, teachers, parents, community members) and then sell their product.

Each company performs their commercials to the shoppers.

Give each shopper approximately \$15BB and allow them to purchase bracelets from the company(s) of their choosing.





38 Teams count their revenue, and fill in a final finance worksheet and income statement to determine their company’s overall profit (or loss).

Finance Worksheet D and the ***Income Statement*** can be found in the Student Packet on <http://www.bizworld.org/programs/index.php?39>.

Prior to beginning *Finance Worksheet D*, allow the VP of Finance to check that all the *Company Ledgers* are up to date.

Use the overhead or a smart board to demonstrate how to fill out *Finance Worksheet D*. Use the *Teacher Ledger* to clear up any inaccurate numbers from the companies.

Collect expenses:

-  Salaries: \$1BB per employee
-  Rent: \$1BB per company
-  Interest: \$1BB per \$10BB borrowed
-  Bank loans: collect balance (total amount borrowed)

At the end of *Finance Worksheet D*, the VP of Finance should reconcile the “Cash on Hand” with the physical money that is in their “bank account” (plastic baggie or box). **DO NOT MOVE ON UNTIL EACH COMPANY HAS RECONCILED AND ALL FINANCIAL RECORDS ARE ACCURATE.**

Complete the *Income Statement*, using *Finance Worksheets A-D*. The income statement will allow students to see their total expenses, revenue, and whether they made a profit (or loss).

39 Teacher leads a class discussion about valuing the companies, allowing students the opportunity to reflect over their individual and team choices that led to a profit (or loss) and students give advice to future entrepreneurs.

The ***Company Performance Summary*** can be found in the Teacher Resources section on <http://www.bizworld.org/programs/index.php?39>.

Lead a discussion with students using the *Company Performance Summary* chart to show which company was the most valuable. There are different ways to compute company value based on revenue, stock value, etc. Complete the chart and share your results with the students.

Discuss with students what made some businesses successful and why others were not. Answers will vary, but common reasons for unsuccessful businesses include:

- Sold too much stock to the VC
- Did not work well together (and wasted time)
- Did not make enough products
- Priced products too low
- Cut prices too low at the end of their sale
- Commercial did not bring customers to their company

After discussion, have students give advice to future entrepreneurs or others who are starting a business. This assessment of understanding can be shown in many ways and is at the discretion of the teacher.

Options to showcase this information include:

- 👉 Creating a class, team, or individual book with advice for entrepreneurs.
- 👉 Drawing pictures to show “what to do” and “what not to do” when starting a business.
- 👉 Creating a skit to show “what to do” and “what not to do” when starting a business.
- 👉 Listing the top 5 best things their business did and the top “Oops!” their company made.

40 Students take *Post-Assessment* to determine business knowledge after the project.

The ***Post-Assessment*** can be found on
<http://www.bizworld.org/programs/index.php?39>.

Individually, students will take a short *Post-Assessment*. In combination with the *Pre-Assessment*, this will determine their current understanding of basic business terminology. It may be taken on paper or online.



SECTION IV. Student Handouts

👉 Entry Event: Memo from the Mayor..... 28



Entry Event

Memo from the Mayor of _____ (city name)

Dear Citizens,

Greetings from the office of the mayor! We at the mayor's office are constantly working to make (city name) a more friendly, close-knit city.

We would like to encourage our citizens and local businesses to contribute to the overall culture and character of our city. One way in which we are promoting a more close-knit (city name) is by encouraging the start-up of friendship bracelet companies run by local entrepreneurs.

Venture Capitalists from around the (city name) area are prepared to invest in businesses that embody the spirit of (city name) and demonstrate the characteristics of a successful company. In (add time frame to VC pitch), these Venture Capitalists will be appearing in your classroom to hear your business plans for your unique friendship bracelet company. In addition, they are prepared to invest valuable BizBucks in your companies to help you start on the right foot.

The city of (city name) is also prepared to offer you the following:

A rental space for each company at a low rental fee

Marketing opportunities and ad placement on _____ (ex. local television station)

Venue to sell your product (at a Sales Bazaar sponsored by the mayor's office)

All of us at the mayor's office are excited for the ideas and business strategies you will use in order to bring innovative products and a sense of community to our city! We are looking forward to seeing your products at the Sales Bazaar and watching members of your school and local community buy your items!

Sincerely,

(name of mayor)

(title, name of city)



SECTION V. Teacher Materials

- 👉 Press Release for Step 27 30
- 👉 Press Release for Step 31 30



Press Release for Step 27:

Stock Market Update

Read the following press release aloud to the class. A press release is an announcement made by an organization or an individual and distributed for use by the media.

Investors are excited about the growing friendship bracelet industry. They believe that this new industry has a large potential market and will create many jobs in the _____ [town where you're teaching] area. Yet, investors are still uncertain about the new companies in this field. Although many have promising prototypes, none have entered into full-scale production yet and have not generated any revenue. As a result, the friendship bracelet industry was down across the board in heavy trading yesterday. All BizWorld stock prices fell to \$8 BB.

Press Release for Step 31:

Friendship Bracelets are Hot!

Read the following press release out loud to your students (insert names and job titles of students in your class).

Friendship bracelet industry stock prices rise in anticipation of booming interest!

"Friendship bracelets are the rage," said Tracy Trendsetter. "I wouldn't leave home without one!"

Start up companies like the _____ and _____ are getting into this new business in hopes of building large, valuable companies. The VP of Marketing from _____ said, "They're protection from bad luck. I had one on each arm and around one ankle. When I was out for a walk, I sprained the ankle that I left bare!"

"I've never seen anything like it," said the President of _____. "There is a huge market out there for friendship bracelets and the buyers are ready."

It was summed up best by the VP of Manufacturing of _____ who said, "I sure hope we can make enough of these things."

Despite the optimism, potential buyers are still somewhat wary. If the quality is not good, it could destroy the industry before it starts.

One potential customer said, "I'll buy one, but if it falls apart, I'll never buy another."

The market is ready for this new phenomenon. It's up to the companies to make the friendship bracelet industry a success.