

5.4.2—BUSINESS PLAN PROJECT

The business plan project begins in this chapter. The document entitled “Introducing Your Business Plan” (which appears in Appendix A, p. 307 of the text) provides an overview of the project and presents a suggested format for the plan itself. The format is similar to the one introduced in this chapter. The first assignment is described in the document entitled “Group Report: Your Great Business Idea,” which you can find on p. 43 of the text. Each team is asked to submit a written report identifying its great business idea and explaining why it selected this idea for further development in its plan.

OBJECTIVE 6—Discuss ways to succeed in managing a business and explain why some businesses fail.

6.1—Game Playing: Getting Ahead in the Race to Success

Divide your students into teams. Ask each team to assume that its members have just become owners of the Indianapolis Motor Speedway. This automobile-racing track is the largest sports facility in the world and can seat 250,000 people in the stands and another 400,000 in the infield. Ask each team to draw up a list of things that the team could do, as a business owner, to ensure the raceway’s continued success. Ask some teams to present their lists to the class. [*Note: Don’t let students use their books for this exercise.*]

Lists will probably reflect the one presented on p. 25 of the text: **[PowerPoint 2-40]**

- ***Know your business:*** Successful business owners know what they’re doing.
- ***Know the basics of business management:*** You can start a business on the basis of a great idea, but to run it, you need to understand the functional areas of business—accounting, finance, management, marketing, production.
- ***Have the proper attitude:*** If you own it, you *are* the business; you must have a passion for your work.
- ***Get adequate funding:*** You can have a tremendous business idea, a talented management team, and a brilliant marketing strategy, but if you run out of cash, your career as a business owner could be very brief.
- ***Manage your money effectively:*** Pay attention to cash flow—money coming in and money going out.
- ***Manage your time efficiently:*** You can’t do everything, so develop some time-management skills and learn to delegate.
- ***Know how to manage people:*** Hiring, keeping, and managing good people are crucial to the success of any business.
- ***Satisfy your customers:*** Commit yourself to satisfying—even exceeding—customer needs.

- **Know how to compete:** Find your niche in the market and keep an eye on your competitors.

6.2—If you're struggling to start or run your own business, what can the Small Business Administration (SBA) do to help?

The SBA offers assistance in the following areas:

- Assistance in developing a business plan, starting a business, obtaining financing, and managing an organization [PowerPoint 2-41]
- Financial assistance through loan-guarantee programs [PowerPoint 2-42]
- Training and assistance with business problems through Small Business Development Centers [PowerPoint 2-42]
- Teams of retired executives to furnish business advice through the Service Corps of Retired Executives (SCORE)

6.3—Game Playing: Prescriptions for Failure

In 30 seconds, match up the business scenarios in the left-hand column with one of the common reasons for businesses failure in the right-hand column: [PowerPoint 2-43]

Business Scenarios	Reasons for
Failure	
1. A recycling plant powered of customer focus (4) by people riding bikes	a. Lack
2. A casino with \$1,000 problems (2) In start-up cash	b. Cash
3. A nursing home headed business idea (1) by a geologist	c. Bad
4. A washing machine-repair shop handle growth (5) that refuses to schedule days on which repairs will be made	d. Inability to
5. A restaurant that's tripled in size Managerial inexperience or but refuses to add any waitresses incompetence (3)	e.

6.4—IN-CLASS ACTIVITY

Business on a Budget

Question: *Questions and Problems #6*

Description: Prior to class, read the article entitled “Business on a Budget,” and then select a business of interest to you that can be started for \$20 or less. Be prepared to make a brief presentation to the class in which you identify the business you’ve selected and indicate all of the following: (a) why the businesses interests you; (b) what you should do to ensure its success; (c) where you’d go for any needed business assistance.

6.4—Appropriate In-Class Use

Pages	Discussion	Team Activity	Class Time	Assign Ahead
<i>EB 40</i> <i>IM 79</i>			15 minutes	Not necessary

6.5—ABOUT NIKE 2.2

Nike’s Phenomenal Growth: Successes and Challenges, 1980 to 2002

[www.exploringbusinessonline.com]

Description: Learn about some of the most notable successes in the history of Nike, as well as some of the crucial challenges that it faced in a period of sustained growth. We’ll explore both Nike’s successes and challenges in more detail in subsequent chapters.

Suggested In-Class Use: This case introduces students to many of the Nike topics that they’ll encounter throughout the course. As the Nike story unfolds, students will learn more about the challenges faced by the company as well as its accomplishments. They’ll also develop an understanding of what it takes to create and sustain a successful company.

Discussion Questions are included with the Nike Case Notes on p. 65 of the *Instructor’s Manual*.