

The Youth Entrepreneurship Toolkit



Youth Entrepreneurship: Teachers Pack

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1. Definition of Entrepreneur:

entrepreneur |'ɒnrəprənə:| noun

a person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do so.

Someone who basically:

1. Becomes aware of a need (product or service)
2. Creates a business to fulfill that need

Due to the nature of entrepreneurs, they cannot be summarised in one definitive way but they all have common traits. These are some of the most common:

- **Flexible** - able to work whenever needed
- **Self Motivated** - can motivated themselves to take action
- **Good Common Sense** - Can make judgements sensibly and accurately
- **Good timing** - Requires patience and know when to jump in and get things done!

There are also multiple types of entrepreneur and these can be broken down to the acronym 'SMILE'

- S** System, someone who is happy to buy a proven system and use it (eg. franchisee)
- M** Money, someone who measures their success by the number in the bank
- I** Innovator, the creative among you who enjoy developing new ideas
- L** Lifestyle, for those who want their hobby as their job and to earn money from it
- E** Empire builders, those who want power and influence and to see their brand everywhere

2. Ups and downs of being an entrepreneur

Pros	Cons
Can make a lot of money: the richest people in Britain are entrepreneurs of one business type or another.	Risk: The financial risk in starting up a company does not guarantee a fixed flow of income for yourself or your loved ones at first.
Independence: Many people don't like to be answerable a boss and prefer being in control of their working lives. They are leaders as opposed to followers.	Time: running a business may be heavily demanding on your time.
Personal Satisfaction: entrepreneurs can be extremely fulfilled with knowing that they have made their own money and can even increase self esteem.	Slow Rate of Return: In the first years most businesses do not make a massive profit. Time needs to be invested for a company to grow.
Family: A lot of people become entrepreneurs so that they can balance their family life and can take time off to help with the family.	Not being taken seriously: can affect confidence and ability to perform.
Social satisfaction: through social entrepreneurship, there is a lot of community good, active citizenship and well being. For instance, tackling a local problem by setting up a group/service/business that addresses that problem.	Economic climate: may not be suitable to new ideas. What is happening at national and even global level can affect businesses negatively.
Control: Being in charge of how time is spent and other areas of work management lead to greater autonomy and control over life.	Isolation – many people starting their own business may feel lonely of not properly supported. It is a different work culture and requires a great deal of self motivation.

3. Myth busting

Myth Number 1

"Are Entrepreneurs born or made?" Entrepreneurs are born, not made. It's in their genes. They all invented something in a garage when they were 12, wear strange clothes to work and are generally unintelligible at parties. This is the "nerd" theory of entrepreneurship. TRUE or FALSE?

Reality Number 1

The average entrepreneur is 35 to 45 years old, has 10 years-plus experience in a large company, has an average education and IQ, and, contrary to popular myth, has a surprisingly normal psychological profile. As a group, they look and talk like you and me—a fairly average bunch.

Myth Number 2

"Entrepreneurs are only in business to make money?" The entrepreneur's overriding goal is to be a millionaire. He or she does it for the money, pure and simple. TRUE or FALSE

Reality Number 2

Research denies this myth. Relatively few entrepreneurs ever earn the kind of bucks paid to CEOs these days. The entrepreneur's real obsession is to pursue his or her customer/product vision. Money is the necessary fuel to do this. Investors or lenders can spot the "get-rich-quick" types and avoid them like the plague.

Myth Number 3

"Entrepreneurs are shady characters, ready to take legal shortcuts and are generally on the prowl for suckers to take advantage of." TRUE or FALSE

Reality Number 3

Compared to unethical business leaders featured in the news, entrepreneurs don't seem so greedy after all. In such a sorry state of affairs, the Hondas and Bransons and Waltons of the world look more and more like saintly protectors of old-fashioned virtue. The unhappy fact is that low ethics and illegal tactics seem pretty well distributed throughout the population.

Myth Number 4

"Entrepreneurs are high risk takers—real dart throwers." TRUE or FALSE

Reality Number 4

Entrepreneurs may be innovative, but that doesn't make them foolish. It's their money they're risking. The reality is that big company executives regularly take greater risks with shareholders' money than entrepreneurs are willing to take with their own. As to the "risk" of leaving a secure job and starting out on their own, all risk is relative. Most entrepreneurs believe that the greater risk is to leave your future reward and satisfaction in the hands of a series of corporate bosses, all of whom have their own agendas to push. Betting on the corporate lottery for the next 30 years is a risk most entrepreneurs aren't willing to take.

Myth Number 5: "Only 1% of the population of the UK can be entrepreneurs?"

Here's the latest one to hit the street: Too many entrepreneurs spoil the national brew. Everyone can't go off and just "do his own thing." Who's going to mine the coal, produce the steel and make the cars? Every country needs its foot soldiers too. TRUE or FALSE

Reality Number 5

No one's suggesting that everyone just do his or her thing or that the whole world should work in a garage. What is suggested is that everyone needs to become competitive, including the folks in giant corporations. For mavericks and foot soldiers alike, a strong dose of old-fashioned enterprise isn't a bad place to start. The United Kingdom as a society being defined by its political parameters as a capitalist meritocracy encourages free entrepreneurial spirit and encourages it to redistribute wealth between larger corporations and the people.

4. Quick Entrepreneurial Facts

Most entrepreneurs are a pretty average lot:

- 40% have secondary education or less
- Women succeed as often as men
- Most did not plan to own their own business, but it came about because of circumstance

5. Is Business Ownership For You?

Businesses fall into two categories: those providing services and those providing products. As you think of becoming a business owner, you must become a creative thinker. This means thinking of things you enjoy doing and deciding if these things you enjoy can assist you in making money. As you think, remember it will be important to think of things you enjoy, not just things you do well.

7. Princes Trust

The Princes Trust is an invaluable organisation offering help for those who may want to start up a business

If you want to start up a business and are in the following circumstances:

- aged 18-30
- unemployed or working less than 16 hours a week
- living in England, Wales or Northern Ireland.

Then you qualify for all sorts of help in your business enterprise from the princes trust such as:

- A low interest loan of up to £4,000 (up to £5,000 for a partnership)
- Ongoing advice from a business mentor
- Free legal helpline, sponsored by Barclays.
- A grant of up to £1,500 in special circumstances (subject to local availability)
- A test marketing grant of up to £250 (subject to local availability)

8. Case Studies

Case Study – Louis Frankland Starlink UK

What do you do?

I'm a freelance web designer. This involves designing peoples websites, computer programming and online shops too.

How did you do it?

I taught myself how to do all this when I was little and then at about age 11 I thought, hang on, I can make money out of this so I decided I would! I saw a gap in the market – at the time, everyone had either a private consultant or had to do it themselves. I offered a cost effective package.

I started my own business at age 11 and a half. I created branding for my company, wrote a business plan to keep on target. This is needed for bank loans – not that I could get one at this age. I used birthday and Christmas money as capital. Marketing was done by word of mouth – asking people if they needed websites. Friday ad was a waste of time – no responses at all – the wrong market.

What are the demands?

It's time consuming. You have to be able to work for no pay, do everything yourself – put in a hell of a lot of hours in the early days. Don't get friends to help. You need to really be able to trust them and this can lead to fall out. I don't recommend it.

You have to motivate yourself and make sure you are reliable and dependable for yourself. You need to develop your self-confidence and enthusiasm or you wont get anything done. An overall vision is needed – you can't go in it just for the money. It has to be something you enjoy. Find something you think you can do and will enjoy. There will always be horrid bits but there's a lot of job satisfaction.

Now I am nearly 18 and my business has taken of – still done through word of mouth. I earn a comfortable amount; between 2 and 4k a year. This varies according to my workload – I made a lot more last year but I'm at college so will scale it down this year.

Will you have your own business when you leave college?

I am studying maths, physics, computing and electronics. This is a fall back – if the business crashes, I can get a mainstream job in something I enjoy. Meanwhile, the courses I am doing will help me with getting to university to do computer science. This degree will help me as a person – people will take me more seriously if I have a degree. I have experienced prejudice by adults. I went to MicroBiz (a computer fair in Horsham) aged 13 – an event for businesses and stall holders were incredibly condescending – thinking I was just there for freebies! You cant take this to heart though.

My long-term plan is to evolve the business into software design/engineering.

I intend to make enough money to pay for Uni, plus take a gap year to help me develop my company – www.starlinkuk.com

Quick advice to any young

- Don't let other peoples negative opinions get in the way.
- Keep going with your vision.
- HAVE FUN!

Worksheets and Activities

What's included?

Entrepreneurial Test
Ideas and monetising them!
Writing a business plan

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Entrepreneurial Test

Could you be the next Richard Branson?

Are Entrepreneurs Born or Made?

Have you got the skills to think of an Idea like Facebook, Yahoo, Google, Twitter,
And Turn it Into a Profitable Business?

Take the Quiz below and see how you rate compared to the profile of successful entrepreneurs.

Are these statements largely **TRUE** or **FALSE** for you?

1. You are absolutely obsessed with a passion for whatever you do?
.....
2. You absolutely hate obeying rules, following others or working in a team?
.....
3. You always see things differently to others, even when a child?
.....
4. You are very careful with money watching every penny?
.....
5. You are very independent?
.....
6. Your goal is the highest salary possible?
.....
7. You are naturally a risk taker?
.....
8. You are always Optimistic?
.....
9. Failure has now place for those destined for success?
.....
10. People describe you as stable, reliable and likely to succeed?
.....

Entrepreneurial Test

Now Take Your Score

This quiz is just to see how alike you are to the most successful entrepreneurs!

It does not mean that if you score poorly that you cannot start a business!

1 to 5 are **TRUE**

6 to 10 are **FALSE**

So how do you tie up with the rest?

- | | |
|--------------|--|
| 10 out of 10 | Yippee and Yahoo you are the next big story |
| 8-10 | Well on your way, just need the right idea |
| 6-8 | Need the idea and to develop some of your skills. |
| 4-6 | Get well qualified and do something on the side only |
| 2-4 | You are destined to be an employee, choose your career well. |
| 0-2 | Why are you even doing this test? |

Youth Entrepreneurship

Complicated? Nah, it's your plan to make money...

Step 1 - Give up your paper round!

Basically, you will need a bit of time... to make even more money

Step 2 – Find something you enjoy

There is no point in doing something you don't enjoy!

Step 3 – Find a way to make it happen...monetize it!

Ask friends and relatives about how they would do it and question them if you have an idea... heck – stand on the street asking people if you have to!

Step 4 – Test your idea

Put aside some money (or borrow some from the parents) and test your idea! Give it about a month to test, businesses usually start slow, but once the ball is rolling, move onto step 5

Step 5 – REAL MONEY!

Now that you have found a idea that appears to work, you need some real money to make it work, you can source this from “The Prince’s Trust” or from local business associations (See reverse).

Step 6 - Paperwork!

Now you need to talk to a few important people, don't worry – they won't take your money, they just want to keep tabs on whether you are working (See reverse).

Step 7 - Profit!

You should have made some money now! Do with it what you feel necessary but may I suggest re-investing in your own business or paying people back. If people have helped you and you think you have a firm stance in the business world (can work without external funds) then pay them back!

Check Sheet

Idea?
Do you enjoy it?
Can you get money from it?
Have you talked to friends, family and/or bystanders?
Do you have funding (if needed) to test your idea?
Did your testing work?
Are you ready to dive in and make money?
Write a business plan (see worksheet 2)
Get more funding (if needed) to start properly
Inform Inland Revenue They keep track of who is working and if you earn more than around £4000, you might have to pay them some money. If you don't notify them then you could get a fine so take the time to talk to them.
Inform friends Tell your friends, they might have ideas and tell your school or college – they appreciate being in the know so they can help (you can also have an extra excuse aside from 'the dog ate my homework')
That's you set to go - congratulations

Writing a business plan

Step 1 – Write what you are going to do

Write down, as clearly as you can, what you are setting out to do and how.

Step 2 – Write how your business is going to work

Write down what is going to happen and what the business will achieve

Step 3 – Write down who your target market is

Now be as specific as you can – if you are targeting 25-35 year olds with one leg longer than the other, then say that!

Step 4 – Who is going to be working with you

This is any information about who you are going to be working with, if any, and yourself.

Step 5 – Financing

How will you afford to do what you are doing? Sources of funds, amounts of funds and any useful information

Step 6 – Risks!

This is another critical one; you have to list anything that might affect the business badly like school/college with time commitments.

Step 7 – About you!

This is where you stick your CV and anyone associated with the business directly.

My Business Plan

1

2

3

4

5

6

Just attach your CV of amazing achievements; it's too long to fit in!