



Teacher Notes

Development Session 6



OVERVIEW

Development Session 6 is for students to start to look at the costs involved with their Big Idea. This is often the section that teams struggle with most, with so it may need more support than other sessions.

RESOURCES

Finances Top Tips sheet from S4TP website
Business Model & Social Enterprise PPT from S4TP website
Start-up costs template from S4TP website
Income and Expenditure template from S4TP website
Team business plans
Challenge 6 - Options **A)** Business Model; **B)** Start-Up Costs

INTRODUCTION

Start the session with students in their teams (COVID restrictions permitting). Explain that they will be looking at financing their Big Idea. Remind the students that they can ask for advice from their mentors on the S4TP forum, perhaps reach out to their Maths teachers or the school's Business teachers for guidance too. Also remind teams that we have provided spreadsheet templates for them on the website. Acknowledge that this is a tricky section (it's tricky for adult entrepreneurs too!), but it doesn't have to be perfect - if they can estimate fairly accurately it will be helpful.

***NB** Teams who are running a campaign may feel that they have very few or no costs - but there are always some costs involved. Even if, when they make their lists it seems like most items are free, this may not always be the case - some day they may have to pay for them, so it's a very important exercise.

ACTIVITY INSTRUCTIONS

- This session will help you with completing questions 17 - 20 in the business plan
- **Business Model:** Look through the Business Model and Social Enterprise PPT slides from the S4TP website (this includes a short video about being a social entrepreneur), and use these to discuss your business model with your group. Your Big Idea might be a social enterprise, or 'not for profit' but you still need to explain how you will have enough income to cover your running costs.
- **Start-up costs:** Read through the Finance Top Tips sheet. Imagine that you are creating a 'recipe' for your Big Idea and write down a 'shopping list' of all the 'ingredients' you will need to get going. Once a list has been created use the start-up costs template to write these down alongside the costs of each individual item. You will need to research the cost of items. If you are creating a product may prefer to write the finances for creating a prototype of your product only, rather than the finished product. Don't forget to explain where you will get the money from to cover these costs.
- **Running costs:** If you want your business to be sustainable, you will need to consider how much it will cost to keep your Big Idea going. Use the Finance Top Tips sheet and the Income and Expenditure spreadsheet to help you to think about things like wages, electricity, materials, manufacturing, marketing costs, etc.
- A lot of these figures will be difficult to work out accurately, but that's OK. All the judges need to see is proof that you have researched the costs and can show the reason for the numbers you've come up with, as well as show them how you calculated it all. They just want to make sure that you haven't made your numbers all up out of thin air!

CONCLUSION

All the teams, by the end of the session, should have at least broadly filled in sections 17 - 20 of their business plan, and have a clear idea of the areas around finance that still need focusing on.

CHALLENGE

We have designed a challenge for each development session - this can either be done as a development session or as a homework challenge, whichever works best for you.

Challenge 6 has two options to choose from - Options A) Business Model and B) Start-Up Costs - the details are on the Challenge 6 sheets on the website.