

3. Money and planning



8 Lessons



75 minutes each
+ individual work (7h)



Economics within
entrepreneurship

The city of Pargas has an ongoing programme for entrepreneurship education at its upper secondary school, the only programme of its kind in all of Finland. One of the many courses that the school, Pargas svenska gymnasium, and the RIBS project offer as a result of their partnership is the course, "Money and planning", through which students gain broader knowledge and understanding of businesses in general by participating in exercises and discussions.

The students create mock companies, divide the responsibilities of the company and start developing a concept for a product. Each student's own company serves as a basis for discussions and reflection as the course handles issues such as management, economy, taxes, accounting, marketing and business plans. Between the classes, we expect the students to develop their business ideas in their groups. Through this method, we believe that students are more motivated to analyse methods and find solutions that fit their individual company's needs. In a lifetime, the average citizen in Finland consumes goods and services worth approximately 1 million euros. Therefore, we firmly believe that understanding how capitalism and businesses work will help the youth have a healthier relationship with money and spending.

Goal

The goal of the course is to broaden the students' knowledge about business and economics and to provide the students with the tools to succeed as an entrepreneur, small business owner, economics student and/or a consumer.

Content

Lesson 1

During the lesson, the students use the Startup Idea Matrix (Attachment no. 1) created by Larry Page, the co-founder of Google. Every blank slot in the matrix represents a free space in the market where a "unicorn" (a company valued at over 1 billion US dollars) could be founded. The students are asked to form small groups, try to find a blank slot in the matrix that combines their interests/talents, and then to create a fictional company.

Lesson 2

The students test their ideas for the fictional company using the following methods.

- Micro test: Search for keywords related to your business idea on Google and Google Trends, for example, "XYZ industry report" or "XYZ market analysis" to get stats and data about your market. Is there an upward trend in search volume and industry growth related to your idea? Can you find existing players in your market that are already doing well to demonstrate that there is indeed market demand? Are there meaningful differences between what already exists in the market and what you would offer? (We don't know that for sure yet. "Seems to be" is good enough for now).
- Macro test: Talk to 20 people of different ages, genders, etc. Tell them about your idea and take notes on their initial response. Do they use a similar product? Does the product have any weaknesses? How do their consumption habits compare to the broader field?

Lesson 3

The students learn about different business models and company forms, discuss the different forms and decide which one is suitable for their fictional company. The various company forms in Finland (Attachment no. 2) are: proprietorship (toiminimi); partnership (avoin yhtiö); limited partnership (kommandiittiyhtiö); limited company (osakeyhtiö) and cooperative association (osuuskunta).

Lesson 4

The students start working on a business plan. The business plan should consist of the following parameters:

- Executive Summary
- Company Description
- Product or Services
- Market Analysis
- Marketing Strategy
- Management Summary
- Financial Analysis

Lesson 5

The students discuss marketing for their product, create a small survey and learn about the basics of marketing profiles. A consumer profile is a way of describing a consumer categorically so that they can be grouped for marketing and advertising purposes. By targeting advertising to a specific marketing segment, companies and marketers can find more success in selling a particular product and increase profits. The basic definitions of these profiles are:

- Demographic: attributes related to age, city or region of residence, gender, race and ethnicity, and composition of household.
- Socioeconomic: attributes related to household income, educational attainment, occupation, neighbourhood, and association memberships.
- Product usage: attributes associated with product engagement on the basis of behaviour.
- Psychographics: attributes related to lifestyles, life stage, personality, attitudes, opinion, and even voting behaviour.
- Generation: attributes related to a specific identifiable generation cohort group.
- Geography: attributes related to the geographical area in which consumers reside and work.

Lesson 6

The students analyse the results of their service and calculate what resources the fictional company need to meet the consumers demands and create an operational plan. In Finland, there are a number of websites that can be used to calculate costs for a company, for example, oikotie.fi and/or palkka.fi.

Lesson 7

The students work on their final presentations of their companies for the group and have one last chance to create a new survey and ask questions about their product of their fellow students and their teacher. The students also read a text about constructive criticism in preparation for the presentations (Attachment no. 3).

Lesson 8

The students present their business ideas and business plans. The teacher, fellow students and an independent teacher listen to the presentations and give feedback. The course ends with information about how the students could start the process of making the fictional companies a reality, if interested.

Appendix

- "Startup Idea Metrix" by Larry Page, United States of America.
Source: <https://docs.google.com/spreadsheets/d1k5sTdMpWKvPlqUi1UNIKQ8xBpw5DEyRfwnAQxZoHmDw/htmlview?usp=sharing&sle=true>.
- "Company Forms" by Infopankki, Finland.
Source: <https://www.infopankki.fi/en/living-in-finland/work-and-enterprise/starting-a-business/company-forms>
- "Critique is not the enemy" by Alf Rehn, Finland.
Source: <http://alfrehn.com/blog/2016/11/06/critique-is-not-the-enemy/>