



Module IO1: Companies and Company Start-Up - Setting up a Student Company-

Publisher: Institute for Economic Education
at the Carl von Ossietzky University of Oldenburg

Edited by: Izabela Bieda, Institute for Economic Education

© 2016 Institute for Economic Education gGmbH

Contact: Bismarckstraße 31, 26122 Oldenburg, Germany, www.ioeb.de

This work and its parts are subject to copyright.

Any use other than the legally permitted cases requires the written permission of the publisher.

In reference to § 52a UrhG [German Copyright Act]: Neither the work or any of its parts may be scanned and posted in a network without such consent. This also applies to intra-net in schools and educational establishments.

Funding programme: Erasmus+

Project name: Win²: Economics Education designed internationally and action-oriented.

Project homepage: <http://www.winwin-youngentrepreneur.eu/>

Project duration: 2014 - 2017

Project number: VG-SPS-NI-001521-3

Project coordinator: Institute for Economic Education gGmbH

Project partners: Rectus (Poland), Varna Free University and Start it smart (Bulgaria), Carl von Ossietzky University of Oldenburg (Germany)
Secondary school in Poland, Germany and Bulgaria

This project was financed with the support of the European Commission. The author solely bears the responsibility for the content of this publication (communication). The Commission is not liable for the further use of the information contained herein.



Introduction into the module and didactic objective	1
Topic 1: Setting up a Company. An introduction into the work of a Student Company	2
Material IO1_1_1_Lehrkraft: What is a Student Company?	3
Material IO1_1_2_Lehrkraft: Motives of setting up a company.....	5
Material IO1_1_3: Why are companies set up?.....	6
Material IO1_1_4_Lehrkraft: Successful entrepreneurs	7
Material IO1_1_5_Lehrkraft: What are the qualities of successful entrepreneurs?	8
Material IO1_1_6: My strengths and weaknesses	9
Topic 2: Developing a business idea and business plan.....	10
Material IO1_2_1_Lehrkraft: Successful entrepreneurs and their business ideas.....	11
Material IO1_2_2: Services or products?.....	12
Material IO1_2_3_Lehrkraft: Factors of success for companies	13
Material IO1_2_4_Lehrkraft: Developing a business idea for the Student Company	14
Material IO1_2_5_Lehrkraft: Examples of business ideas of existing School Companies ..	17
Material IO1_2_6: Our business idea	21
Material IO1_2_7: Strengths and weaknesses of our business idea: the SWOT analysis ..	22
Material IO1_2_8: Creating a business plan	24
Topic 3: Name and logo of the Student Company.....	26
Material IO1_3_1: What do we call our Student Company?	27
Material IO1_3_2: The logo of the Student Company	28
Topic 4: Legal status of the Student Company	30
Material IO1_4_1: Legal status – the company structure to the outside world	31
Topic 5: Looking at finances: Expenditure, pricing – Creating a financial plan and securing starting capital	33
Material IO1_5_1: Fixed and variable costs: necessary expenditure and financial planning	34
Material IO1_5_2: Setting prices.....	40
Material IO1_5_3: The financial plan and starting capital	43
Topic 6: Our market and the customers – Market and customer analysis.....	49
Material IO1_6_1: Market analysis	50
Material IO1_6_2: Our customers	53
Topic 7: Marketing: Presenting us to the outside world.....	58



Material IO1_7_1: Presenting us to the outside world.....	59
Material IO1_7_2: Advertising slogans	66
Material IO1_7_3: Presenting the Student Company to the outside world	67
Material IO1_7_4: Presenting the business idea	70
Topic 8: Organizing workflows: Work processes in the work of the Student Company	72
Material IO1_8_1: Workflow organization	73
Material IO1_8_2: Organizing the work to be completed	75
Material IO1_8_3: Changing departments	82
Topic 9: The team: Departments and tasks at the Student Company.....	84
Material IO1_9_1: The organizational structure	85
The Phase Planning: Topics in lessons.....	89
Bibliography.....	105
Image references.....	105



Introduction into the module and didactic objective

Setting up Student Companies requires the teacher to deliver competent supervision. But what sort of design possibilities exist, ones that are grounded methodically and didactically? What must be clarified beforehand and which steps must be considered? What knowledge can be provided and what knowledge can be gained before the Student Company operates at a profit. Finally, another question should be considered: What thought processes are necessary for the students to have; and how can these processes be stimulated methodically?

This module offers methodical and didactic support to the teacher in setting up a Student Company. The teaching format, advice and the support materials show how the work with students can be planned and delivered. Both the teaching units as well as the support materials have been conceived in such a way that they can also be used broadly in learning and working processes for the work of a Student Company, but can also be used independently of the entire module to pick up, convey, deepen or reflect on knowledge on a selected aspect in lessons.

The Module *IO1 Setting Up a Student Company* was developed (alongside further modules listed below) in the context of the EU project *WIN² Wirtschaftsunterricht international gestalten*¹ [*WIN² Economics Education - designed internationally*]. It is the first of a total of five modules:

Module IO1: Setting Up a Student Company

Module IO2: Work of a Student Company and Career Guidance

Module IO3: International Student Company Work

Module IO4: Peer Learning in the Student Company

Module IO5: Sustainability of the Student Company

Each module has the guiding theme of School Companies in common. There is an underlying repetitive structure with each module, featuring a mind map (see Figure 1) at the start of each module. In using this repetitive structure, teachers possess flexibility to deal with selected strands or themes from different perspectives or to embed them in different contexts according to need.

¹ The Erasmus+ project (2014-2017) was carried out in cooperation with educational establishments and schools in Poland, Bulgaria and Germany and coordinated by the Institute of Economic Education (Germany). The aim of the project was to set up Student Companies in participating schools and to network these schools internationally.

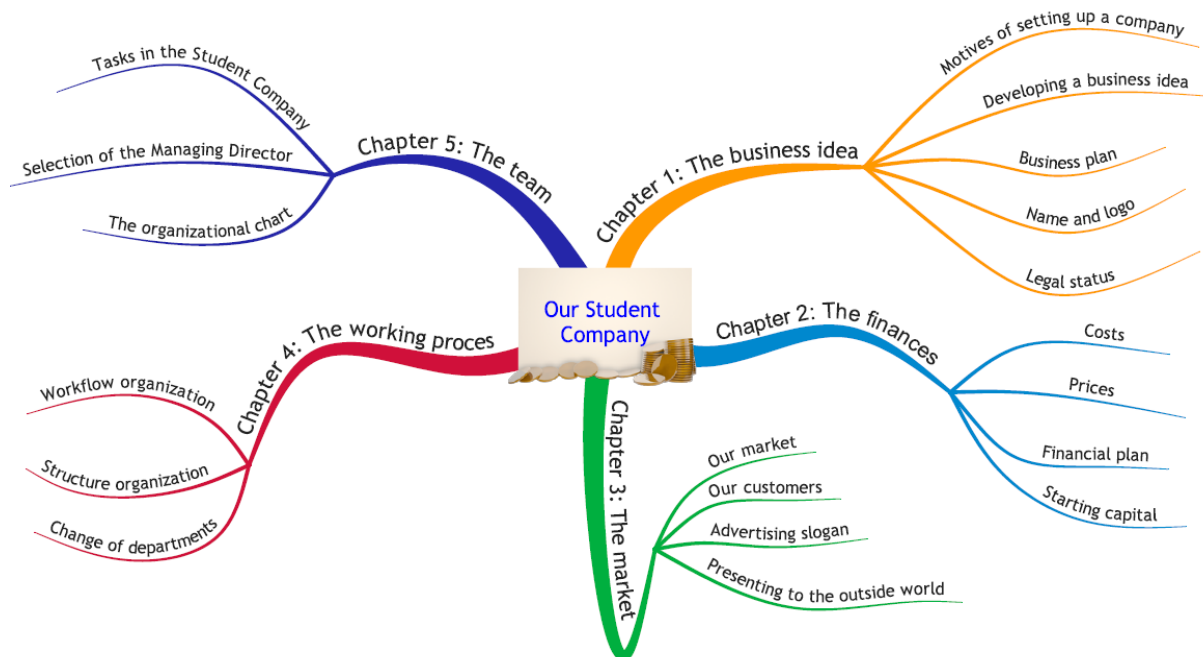


Figure 1: Setting up Student Companies: topics and knowledge areas

What is a Student Company?

A Student Company is a didactic and pedagogical instrument, with which school students can set up businesses under the legal umbrella of the school and offer products and services following the example of real companies. Simplified: students are given the opportunity to act in problem-oriented fashion through the work of the Student Companies in that they get to know economic interactions and acquire economic competencies connections. “By independently setting up and managing a Student Company, students get the opportunity to practice entrepreneurial thinking and learn new skills, which are the hallmarks of entrepreneur action” (Cf.: Hübner/Kaminski/Reuter-Kaminski/ Windels 2006, 23). This is strengthened through the targeting interlocking of the work of the Student Company with the content of the subject of Economics, if students apply and monitor in practice what they have learned, e.g. to apply abstract principles of organizational structure and organizational processes and make decisions how the students’ own Student Company is structured and organised. Marketing, accounting, market analysis, legal requirements are just a few examples of further topics with which students interact in the Student Company. This results in synergy effects for the subject of Economics: on the one hand, students put what they have learnt to the test, expanding and reinforcing it through experiences acquired in practice; on the other hand, topics from their activities are part of their lessons in Economics and can be integrated in these lessons in broader contexts.



Individual questions or problems which students confront in the work of a Student Company can be solved with the help of, for instance, experts from the local economy, if they are included as consultants in the work of the Student Company or in lessons in Economics. The use of action-oriented methods is strongly recommended to link the content of the students' practical activities with the subject of Economics (see Figure 2).

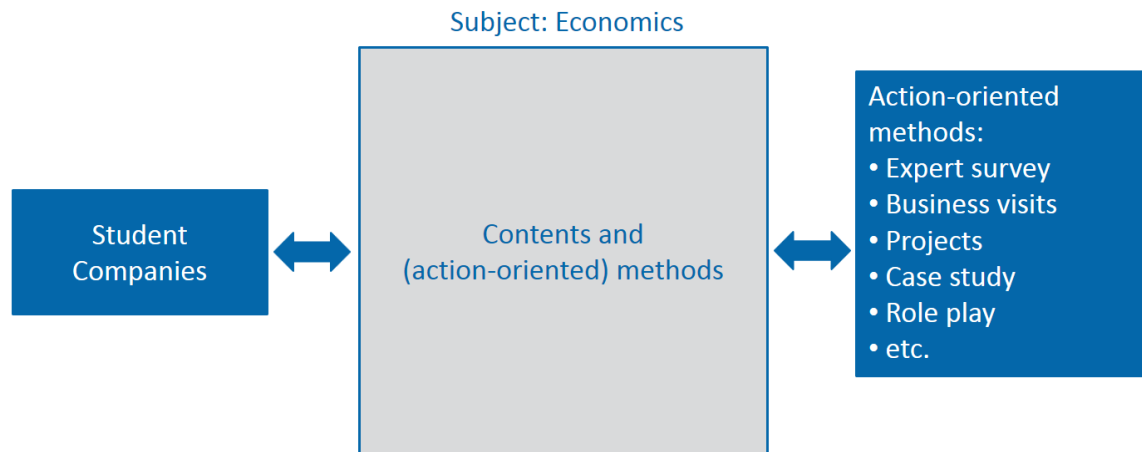


Figure 2: Interlinking content: Student Companies – lessons in Economics

Setting up a Student Company does not just hold great potential in the context of the subject of Economics: it can also provide important impulses for the further development of the school on different levels (see Figure 3).

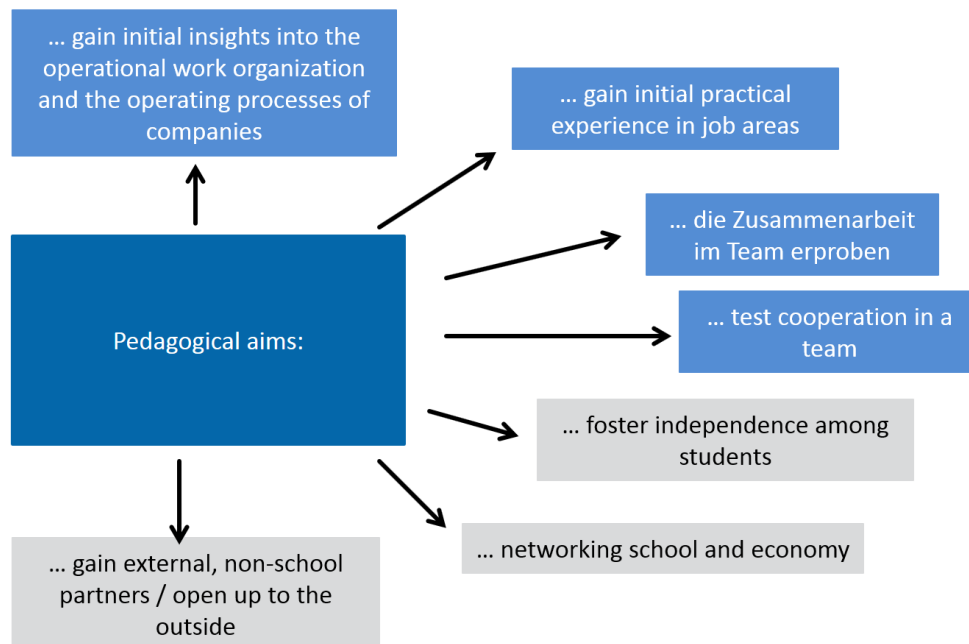


Figure 3: Student Company and its pedagogical potential



Setting up a Student Company offers several opportunities

- To open schools to the local economy
Initiated through real consultation with actors from the local economy, opening school to the local economy can lead to long-lasting cooperation in the respect of supporting Student Companies.
- For bundling in-school potential in the field of careers guidance.
Setting up a Student Company provides students with the opportunity to put their skills and knowledge to the test at school and try out initial job preferences. This can be integrated into other sessions (e.g. practicing job interviews). The Student Companies can also be utilised for work experience placements in which students gain their initial work experience and try out their abilities (more details in Module IO2: School Company Work and Careers Guidance).
- To deliver cross-curricular activities
Students create in Art, for instance, advertising placards; they create a homepage for the Student Company in IT or write texts for school magazine or press releases in German.
- For Entrepreneurship Education
In the sense of innovative, action and problem-oriented learning as well as independent learning and recognising interconnections in their own world.
- To motivate students through the recognition from customers about their services or performance, through shares and distribution of profits, through acting in their selected roles and through the active student participation in school life.



Topic 1: Setting up a Company.

An introduction into the work of a Student Company

Didactic objective:

The materials help put the students in the right frame of mind for the work of a Student Company. The topic “Being an entrepreneur as a professional goal”² is introduced through the analysis of reasoning behind setting up a company (push and pull factors). Gathering and grasping students’ motivations for the work of a Student Company follow in the second step. Analysing qualities common to an entrepreneur provide the students with general awareness of the complex work fields and areas of responsibility in a business. Students reflect on their own competencies and abilities using a self and external evaluation assessment, setting them up for the later distribution of responsibilities in the Student Company, something that is taken up and deepened whilst setting up the Student Company, particularly in the phase of distributing tasks and compiling an organizational chart.

Time required (Lesson including preparation and evaluation)	Main topics
One lesson	<ul style="list-style-type: none"> ▪ Motivation and reasons for setting up a company ▪ Qualities of entrepreneurs ▪ Reflection about the motives of work for Student Company

Materials:

Material IO1_1_1_Lehrkraft: What is a Student Company?

Material IO1_1_2_Lehrkraft: Motives of setting up a company

Material IO1_1_3: Why are companies set up?

Material IO1_1_4_Lehrkraft: Successful entrepreneurs

Material IO1_1_5_Lehrkraft: What are the qualities of successful entrepreneurs?

Material IO1_1_6: My strengths and weaknesses

² This topic and the connection between work School Company work with career guidance is presented in greater depth in Module IO2.



Material IO1_1_1_Lehrkraft:

What is a Student Company?

What is a Student Company?

- A Student Company operates like a real business.
- Differences between a company and Student Company are that ...
 - Only students can work and teachers act as business consultants.
 - The students develop and implement a business idea independently.
 - Students plan the implementation independently, produce the products or offer the services and sell them.
 - Students generate profit (or even losses!) with their Student Company.

The Student Company is, however, not a real company because

- it is a school project with a pedagogical objective. The school provides an area of legal protection area for the project. It is, therefore, necessary that the Student Company is recognised and supported by the school leadership; and
- it is not registered as an official trading company, like a “real” business, either in a commercial register or with other authorities, such as with tax agencies, even if the Student Company pays tax for didactic purposes. In this case, a Parent Teacher Association can play the role of the tax agency.

The teacher's role

- The teacher acts primarily as a business consultant or Managing Director.
- The teacher intervenes in the work processes of the students if they require or request subject or organizational support. The teacher gives the students the largest possible room to act so that are able to do so independently.

Students profit from the work of a Student Company in the following areas:

1. Knowledge of Economics

Students learn ...

- to apply theoretical knowledge in practice,
- how businesses are set up and how they function,
- how business ideas are conceived and tested for their sustainability,
- how business plans are drawn up and why it is important to develop them,
- how business ideas are implemented,
- how starting capital can be acquired,
- on what business success depends,
- what external and internal business processes exist; and what role these processes play in the business,
- how business contacts are made and kept.



2. Competencies

The students learn to ...

- complete tasks independently,
- work in a team (strengthen skills, such as communication skills and conflict resolution, etc.),
- assume responsibility,
- organise work processes,
- pursue aims,
- make decisions,
- acquire knowledge independently.

3. Careers Guidance

Students learn ...

- which strengths and weaknesses they have,
- to have a go in different roles and professional fields,
- to define which jobs correspond better to their own preferences.



Material IO1_1_2_Lehrkraft: Motives of setting up a company

Blackboard:

<i>Push factors</i> = <i>Setting up a business out of hardship</i>	<i>Pull factors</i> = <i>Voluntary setting up</i>
<ul style="list-style-type: none">✓ <i>Unemployment (existing or impending)</i>✓ <i>Problems or dissatisfaction at place of work</i>✓ <i>Financial difficulties</i>✓ <i>Ethnic minorities find no employment</i>✓ <i>Work life balance</i>	<ul style="list-style-type: none">✓ <i>Self-realisation</i>✓ <i>Wish for higher income</i>✓ <i>Independence</i>✓ <i>Implementing our ideas</i>✓ <i>Recognition of a gap in the market</i>✓ <i>More flexible management of time</i>✓ <i>Gain in prestige</i>

Figure IO1_1_2_1: Setting up a company: push and pull factors

Important:

The motivations behind setting up a company are a complex web comprised of different motives. It is, therefore, not improbable that both pull and push factors play a role in setting up a company.

**Material IO1_1_3:****Why are companies set up?**

There are different reasons and motives for setting up companies. Everyone collects ideas on what they could be, providing reasons for them. In the second step, the groups' results will be gathered and discussed.

Voluntary setting up of a business	Setting up out of hardship

Table IO1_1_3_1: Reasons for setting up a company



Material IO1_1_4_Lehrkraft: Successful entrepreneurs



Figure IO1_1_4_1: Successful entrepreneurs



Material IO1_1_5_Lehrkraft:

What are the qualities of successful entrepreneurs?

Quality	Important, for example:
Passion	<ul style="list-style-type: none"> ▪ To get through difficult stages. ▪ To present yourself convincingly towards customers and employers as well as investors and the public. ▪ To cope with high levels of work and challenge.
Creativity	<ul style="list-style-type: none"> ▪ To find innovative solutions for old problems. ▪ To be a cut above the competition.
Courage and openness to take risks	<ul style="list-style-type: none"> ▪ To try out things that are new and creative. ▪ To venture on to new paths. ▪ To take decisions.
Suitable to lead	<ul style="list-style-type: none"> ▪ To motivate employees. ▪ To fascinate employees with an idea. ▪ To create a good working atmosphere.
Perseverance and persistence	<ul style="list-style-type: none"> ▪ To overcome obstacles. ▪ To get through difficult phases, particularly at the start. ▪ To pursue stated goals.
Organizational talent	<ul style="list-style-type: none"> ▪ To keep an overview. ▪ To always stay focused on the most essential.
Expertise	<ul style="list-style-type: none"> ▪ To be able to use detailed knowledge (about the product, the competition and the market). ▪ To negotiate with customers and suppliers to exist on the market.
Training, curiosity, willingness to learn and an ability to take a broader view	<ul style="list-style-type: none"> ▪ To be one step ahead of the competition. ▪ To get to know the latest trends and developments. ▪ To establish networks. ▪ To be able to exchange and interact with experts.
Knowing your own limits	<ul style="list-style-type: none"> ▪ To be able to delegate tasks. ▪ To call in experts, especially when there is a need. ▪ To save time, using and optimising own skills efficiently.
Social skills	<ul style="list-style-type: none"> ▪ To broaden networks and business contacts, constantly maintaining them. ▪ To motivate employees. ▪ To create a good business and working atmosphere.

Table IO1_1_5_1: Qualities of entrepreneurs

**Material IO1_1_6:****My strengths and weaknesses**

Think about your abilities, strengths and weaknesses and write up which ones you could use to support the Student Company.

My strengths are ...	My weaknesses are ...
I can really support our Student Company with this strength/these strengths:	

Work in the Student Company allows you to apply, in practice, your key strengths or make use of certain abilities. But you can also use your contribution to the Student Company by working on your weaknesses or work in areas that you completely new to you. What personal goals would you like to set yourself in your Student Company?

I would like to work on the following:	I would like to have a go at the following areas:
a)	a)
b)	b)
c)	c)



Topic 2: Developing a business idea and business plan

Didactic objective:

The objective of this block of topics is firstly to develop a sustainable business idea for the students' own Student Company. Students access the topic, for example, through businesses of which they are aware as well as by analysing their own business idea. Differences between a company producing a product and one offering a service are explained. The students develop their own business idea.

The second step involves analysing factors which put the sustainability of business ideas to the test. The knowledge acquired from this step is then applied in testing the students' own business idea, something that is done as group work and led by the teacher. Students learn to appreciate the chances of success of their own business idea.

Time required (Number of lessons, including preparation and evaluation)	Main topics
Three lessons	<ul style="list-style-type: none"> ▪ Defining business ideas ▪ Differences between a company producing a product and a company offering a service ▪ What makes a business idea successful? ▪ How can a business idea be generated? ▪ Developing your own business idea ▪ SWOT analysis

Materials:

Material IO1_2_1_Lehrkraft: Successful entrepreneurs and their business ideas

Material IO1_2_2: Services or products?

Material IO1_2_3_Lehrkraft: Factors of success for companies

Material IO1_2_4_Lehrkraft: Developing a business idea for the Student Company

Material IO1_2_5_Lehrkraft: Examples of business ideas of existing Student Companies

Material IO1_2_6: Our business idea

Material IO1_2_7: Strengths and weaknesses of our business idea: the SWOT analysis

Material IO1_2_8_ Creating a business plan



Material IO1_2_1_Lehrkraft:

Successful entrepreneurs and their business ideas



Figure IO1_2_1_1: Successful entrepreneurs and their business ideas



Material IO1_2_2:

Services or products?

Companies can either offer services or products. Complete the table with companies you know from your region. For each company, name either the service or the product that it produces.

These services are offered by the following companies:	These products are manufactured by the following companies:
Example: <i>Travel Agency L'tur</i> Service/s: <i>Travel planning</i>	Example: <i>Volkswagen</i> Product/s: <i>Cars</i>
Example: Service/s:	Example: Product/s:
Example: Service/s:	Example: Product/s:
Example: Service/s:	Example: Product/s:
Example: Service/s:	Example: Product/s:

Table IO1_2_2_1: Companies – Services or products?

**Material IO1_2_3_Lehrkraft:****Factors of success for companies**

The teacher leads a discussion with the students on what decides whether a business idea proves itself to be sustainable or not. When possible, examples taken from the region should be drawn upon.

A list of key words for discussion led by the teacher with the students now follows. In the discussion, the teacher steers the focus towards several external factors influencing business which are responsible for the success or failure of business idea.

External factors influencing business (with business understood as part of a system)

For example:

- Price advantage
- Offer (up to now, perhaps no offer; fills a gap in an existing offer, awakens demand, popular brand/status)
- Demand (identify demand and/or create a demand)
- Advantages vs. the competition (more attractive prices, added value with the same product, e.g. shampoo with hair care, etc.)
- Customer knowledge (for selecting the marketing strategy, product optimisation, etc.)
- Favourable/unfavourable conditions

Internal factors influencing business (business understood as a system)

- Good organization of work and strategy (marketing, organization, team, etc.)³

³ This topic is addressed in more detail later.



Material IO1_2_4_Lehrkraft:

Developing a business idea for the Student Company

There are two approaches in which a sustainable business idea can be developed:

1. The market is analysed, identifying a gap in the market and/or a demand for a product or a service and offering a solution ([pull strategy](#)).
2. An idea exists for a service or product, checking to see whether there is a demand or whether one can be created ([push strategy](#)).

Researching existing School Companies may serve as way of introducing the development of the students' business idea or the following slide can be used to stimulate brainstorming. Alternatively, the teacher can delve deeper into the listing of existing business ideas of current School Companies to demonstrate the variety of ideas ([Material IO1_2_5_Lehrkraft](#)).

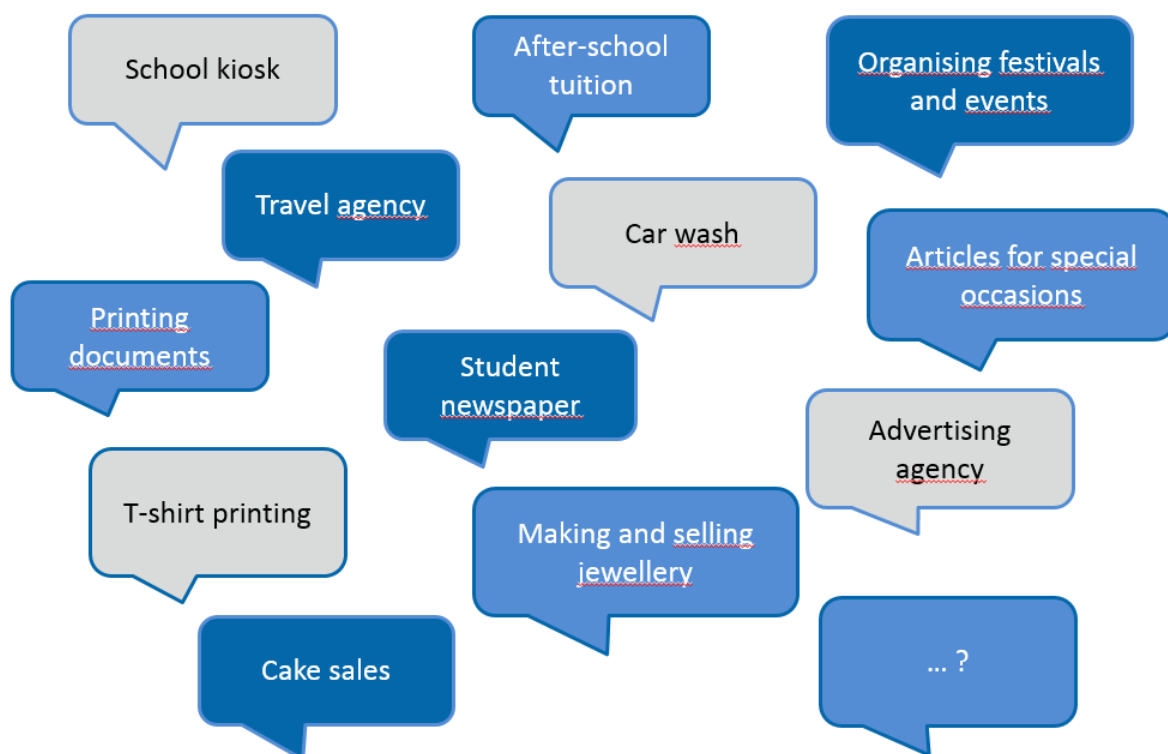


Figure IO1_2_4_1: Examples of business ideas of School Companies

The teacher can stimulate the discussion with the students using the following questions:

- What can you do particularly well?
- What does our school lack?
- Who could be your customers? What needs do they have?
- What could awaken interest in your product or service?
- Are there companies already competing with you on your market?
- What is your advantage over the competition and why doesn't the competition use what you perceive to be an advantage?



- Can your idea be implemented in the context of the work of a Student Company?

**Hints and tips:**

1. If the student is not sure which product they would like to offer or which business idea they would like to implement, it is recommended to conduct a short survey. The students could list, for instance, five to ten products or present their business idea briefly and ask their target group/potential customer about their preferences.
2. The portfolio of a Student Company can be adapted to the needs of the customer, just like in a real business, after it is set up!

**Material IO1_2_5_Lehrkraft:****Examples of business ideas of existing School Companies⁴****Examples from the area of handicrafts**

- Creating web albums of company anniversaries or birthdays
- Preparing and distributing a (regularly published) School Newspaper
- Producing and designing of mobile phone cases
- Design of key holders, coat hooks, etc. – design and production of hooks which fit to a room
- Manufacturing and selling art objects, e.g. jewellery, figures, egg warmers, origami paper art, different kinds of decoration
- Manufacturing and selling school calendars with games, English grammar books or cards, vouchers and important overviews
- Designing individual postcards
- Manufacturing and selling pottery
- Producing and selling beanbags
- Finger protection for pens which leak or blotch
- Handtowels drier combined
- Building and selling imaginative lampshades
- Engraving names on pens
- Engraving service for mobile phones, iPods, etc.
- Christmas decorations: making decorations for special days, something that can be extended to right through the year
- Threading necklaces
- Creating own scented oils
- Mobile phone accessories, individually designed
- Lapel pin for slippage on ties
- Building emergency box for plasters
- Protective rain cover with school logo
- Giveaways (pens, stickers, etc.)
- Developing and producing individual presents for special customers of business partners
- Manufacturing furniture from waste or wood from the school grounds
- Manufacturing and marketing lamps from drainpipes
- Manufacturing school rain caps
- Manufacturing biodegradable pencil cases from throw-away materials
- Manufacturing slides, sticker set for staplers and books for every subject
- Manufacturing reflectors, reflective patches for satchels, rucksacks and tires
- Manufacturing signs (room numbers, office doors, floor plans, etc.) for school, societies and charitable organizations
- Manufacturing individual bolsters for school chairs
- Manufacturing articles made from wood, e.g. easels

⁴ Adapted from the pool of ideas at: <http://www.gruenderkids.de/schuelerinfo/ideenpool> [Last accessed on: 23.07.2015]



- Manufacturing and marketing bookends, digital business cards, pencil cases, greeting cards, audio cassettes, candles, cookery books, mousepads, shelves, key fobs, city guides, birdboxes, wall clocks (e.g. from old CDs)
- Relaxing recliner integrated into a table
- Individual lunchboxes for school (with separate compartments for bread, fruit and vegetables)
- Lighters with logos (using a CNC machine)
- Artistic furniture (ceramic base, glass plate)
- Folding shelf or something similar for plastic bottles for recycling
- Automatic leaf collector
- Developing and producing shoe shiners for on the road
- Building bird feeding station, nesting boxes or spice racks

Examples from the area of computing

- Programing planning software for road crossing duty
- Conceiving, programing and designing e-learning platforms
- Intelligent school bags: chips in textbooks and exercise books
- School information system
- Shopping organiser via mobile phone
- Interactive garden designer (online)
- Supervising blogs for companies combining skills in IT and journalism

Examples from the area of technology

- Live recordings and CD production of own music and other school bands
- Creating a school timeline or yearbook on CD, recordings of self-produced radio plays or dramas
- Digitalising videos and recordings
- Producing school-specific ring tones, also for other schools in region
- Inventing and selling signalling tracking device to locate shoehorn
- MP3 compartment in a tie: Tie with a compartment to hide an MP3 player during a meeting
- Solar clothing or solar patch to load an MP3 player
- Illuminated shuttlecock or shuttlecock game which can be used at night



Examples from the field of services

- Construction of an information centre for students at your school, e.g. for geology
- Repair of boards
- Offer for porcelain painting: small series, painting with children, courses for children
- Craftsman's services (including building shelves, putting together a barbecue, etc ...)
- Textile design with motifs and sayings (including t-shirts, bags, banners, etc ...)
- Computer or mobile phone courses for senior citizens or primary school children
- Professionally created slides by students (ppt)
- Bicycle repair shop
- Leasing and selling picture, calendars and artistic prints in cooperation with artists from the region
- Portrait painting
- Coaching or tutoring
- Lending service for calculators, rulers, study guides, etc. — basically things that are often forgotten by students at school
- Gift selection and packaging service
- Services for senior citizens, e.g. household aid, doing the shopping, looking after pets, etc ...
- Reading for children/senior citizens
- Purchase of office material for students and teachers
- Ironing service
- Gardening work
- Bicycle hire
- Car and bicycle wash
- Coaching or tutoring lessons
- Courses

Examples from the field of entertainment and events

- Set up a drum group, dance group or theatre group which can be involved in all kinds of events
- Rehearsing a programme for the circus with juggling, artistry, clown acts, which could be booked for relevant events
- Work as a school event agency, organization for festivals/activities for students, teachers and parents (e.g. competitions up the stairs, such as races, skating in the corridors)
- Organising cinema evening, quizzes at school, Christmas festivities
- Performances of modern dance styles, e.g. breakdance, jump style, beatbox, rap ("Power Event Group")



Examples from the field of education

- Offering nature tours or wild flower tours nearby school for school classes or parents, finally cooking together using the herbs collected on the tour
- Organise class trips at a school travel agency
- Tours around the local museum or through town, participation in projects presenting local or regional history, city tours for other school classes
- Presentation of puppet shows on themes related to the local area or region. Students make the theatre, stage and puppets as well as writing the script
- Children face painting and children quiz questions on health eating at appropriate events

... and so on!



Material IO1_2_6: Our business idea

Setting up a Student Company is more complicated than you initially think. Finding a sustainable business idea is only the first step. Investors want to be convinced of the business idea and demand a financial plan. Potential customers must be won over.



© Robert Kneschke/Fotolia.com

You could, for instance, produce something that the world has been waiting for. Or come up with a clever service where you will have many future customers.

What to think about!

Student Companies can:

- Manufacture products, e.g. jewellery, bags, shelves
- Offer service, e.g. advertising materials
- Trade with products, e.g. in a school kiosk



These features can overlap with each other!

Student Companies can also attract very different kinds of customers:

- Students from your school
- Parents and other employees at school (teachers and school leadership, etc.)
- Companies and people outside of school

1. What is your business idea? Explain it briefly and concisely. Your business idea forms the basis for all your considerations in the coming weeks. Think about how you could present the core of your business idea to the outside world in three sentences!

Our business idea:

**Material IO1_2_7:****Strengths and weaknesses of our business idea: the SWOT analysis**

The task now is to put your business idea to the test and to scrutinise whether it is viable. To do so, you need to expand further on the idea and examine the conditions. You are bringing a business idea to a market that already exists, i.e. you must check who your customers (demand) and competitors (existing offer on the market) are; and what are the prevailing prices on the market where you would like to sell.

You also need to assess the strengths and weaknesses of your idea; and how you can manage and exploit them. Only the person who knows the strengths and weaknesses of the business idea can develop strategies and keep an eye on the risks before it is too late!

Info: What is a “market”?

Supermarket, weekly market, flea market – that’s what we think about when hearing the word “market”. But there are many other types of markets, which you would not recognize by the name alone. Auctions, such as those on the online platform eBay, or the Frankfurt Stock Exchange where shares are traded.

The term market is used principally for buyers and sellers coming together to trade something. It does not really matter where this trade takes place as a market needs no fixed market place. It can, for instance, be on the internet.

A SWOT analysis is excellent for these purposes.

SWOT, stands for:

Strength, **W**eaknesses, **O**pportunities and **T**hreats

1. Form two groups and take ten minutes to work out the strengths and weaknesses of your business idea.
 - a) A group identifies the weaknesses of your idea and of your team, formulating which threats need to be considered when implementing your business idea.
 - b) The second group works out your strengths: What trump cards do you have? Do you have any competition? What can you do better than the competition? What advantages do you have compared with the competition? And how can you generate interest among customers for your offer? What opportunities can you use for your business model?

Which group do you belong to?



These are our weaknesses:	These are our risks:
These are our strengths:	These are our opportunities:

2. Present the results of your work to the other group: Write keywords on the board which summarise your considerations and justify them.

Can the words on the board be expanded by both groups?

3. Look at the results of your group work from a different perspective: Which weaknesses can be regarded as a chance and which as a risk?

Consider:

- Which weaknesses can you turn into strengths (e.g. up to now, no experience in accounting: Who can help you or who can support you at the outset)?
- Which weaknesses remain a risk for your Student Company?
- Which strengths can you use to defend against any dangers (e.g. can you counteract reducing demand for your product with targeted marketing or inquire about local demand through surveys)?
- Which defence strategies can you develop so that weaknesses do not end up being threats?



Material IO1_2_8:

Creating a business plan

You have developed a business idea and now the next steps will involve dealing with the implementation of your business idea:

- By naming your Student Company and making a logo;
- By finances and pricing of your products and the costs that are incurred through your actions, etc.);
- By the market where you must convince future customers to buy your product, and with advertising strategies;
- By work processes, which must be determined and organised within the Student Company; and
- By the team and skills of the team members as they fulfil tasks as well as functions that need to be occupied in your Student Company.

Information that you will collect and evaluate on the above topics in the coming weeks will be integrated into your business plan.

What is a business plan?

The business plan is a detailed written summary of your planned future business activity. Everybody and everything related to developing, producing and marketing the products as well as organization, financing of related activities, strategies and goals are contained in the business plan.

A fully developed business plan is vitally important for a successful business start-up!

Why do you create a business plan?

The business plan is used to present a business idea, but also to be able to estimate and present realistic chances for success. The information contained in a business plan is based on a detailed analysis of future customers, competition on the market, opportunities and risks, etc. Therefore, a business plan is the basis for assessing the success of each business idea. The information about the organization of the Student Company (work processes, team members' functions, organization chart) will be an important planning tool for you, making it easier for the Student Company to be founded.

Who do you create a business plan for ...?

- For the founder, i.e. in your case, for the employees of your Student Company. The business plan offers you a direction and makes introducing new students to the Student Company easier.
- For the school leadership and teachers so that they can find out what you are doing and how you plan to implement your business idea.



- For potential investors who are convinced of your plan and your chances for success of your business idea,
- For presenting the Student Company to the outside world.

There is no consistent template for a business plan. It should, however, contain the following themes:

	Structure	Explanation
1.	Short summary of the business idea	Summary of no more than a half a page of A4
2.	Detailed presentation of the business idea	What makes the business idea unique? Is it the price, quality, additional uses, service, etc.?
3.	Description of the product / service	What are we offering?
4.	Description of the customers	Who are our customers? The more detailed the description is, the better!
5.	Market and competition	Is there competition? How do we rise above the competition?
6.	Marketing and sales	Which sales channels will we pursue? And what sort of marketing will we use?
7.	Organization of the Student Company	Working processes
8.	Employees and their function	Make up of the team, skills of the team members, tasks, organizational chart
9.	Opportunities and risks, outlook	How are opportunities used and how are risks encountered?
10.	Financial planning	Expenditure, costs, prices, starting capital ...

Table IO1_2_8_1: Example for structuring a business plan

The business plan should ...

- Be clearly written!
- Be objective!
- Be visually appealing!
- Be understandable for the reader; also for those who do not know about the business idea ("lay people")!
- Deliver the most important information about the idea and its implementation!

The following rule applies: As little as possible, but as much as necessary!



Topic 3:

Name and logo of the Student Company

Didactic objective:

Students' real focus is developing a name and a logo for their own Student Company. The working phase will be introduced by discussing the importance of names and logos for customers, the company and the marketing strategy. Teachers stimulate the creative work of the students to find a name and, at the same time, show the students which methods can be used and what needs to be considered. The theme of copyrighted names is also discussed. The next steps are for the students to get to know different types of logos, then developing their own. Here, too, the features of a good logo as well as their areas of application are discussed.

Time required (Lesson including preparation and evaluation)	Main topics
One lesson	<ul style="list-style-type: none">▪ Name for the Student Company▪ The logo

Materials:

Material IO1_3_1: What do we call our Student Company?

Material IO1_3_2: Our Student Company logo

**Material IO1_3_1:****What do we call our Student Company?**

In selecting the name of your Student Company, it is important to select a name that indicates that your Student Company is not a “real” company. You must also make sure that you do not select a company name that already exists.

In choosing a name, you can follow these hints and tips:

The name should ...

- Be short, simple and easy to remember.
- Be hard hitting and unique.
- Connection to your business idea.
- Be original and attract attention to your Student Company.
- Not be misleading and promise something that it is not.
- Not be confused with the name of another company.

1. Searching for the name of a Student Company can start by looking for nice-sounding key words related to your business area, creating synonyms as well as connecting and combining both together.

Tip: Think about acronyms and abbreviations, experiment with associations!

Write down keywords, synonyms or names that occur to you immediately if you think about your product, your activity or your target group:

2. Write down your suggestions on the board and try to come up with a name for them.
3. Have you agreed on a name? Write it down:

4. Now, we need to check whether this company name already exists. You should conduct thorough internet, domain and trademark research. Typing the name in a search engine can deliver the first initial results.



Material IO1_3_2:

The logo of the Student Company

A company logo is very important. Customers immediately recognise the company through its logo as we perceive images and pictures faster and they remain longer in our memory than something that we have just heard. Some company logos are worth billions.

The two logos depicted here are immediately recognisable and everyone knows the product behind the logo. Do you, too?



Figure IO1_3_2_1: Example of professional logos

A logo comes from this name ...

Can a good logo comprised of letters be developed from your company name? Or are you going to select a logo with an image?

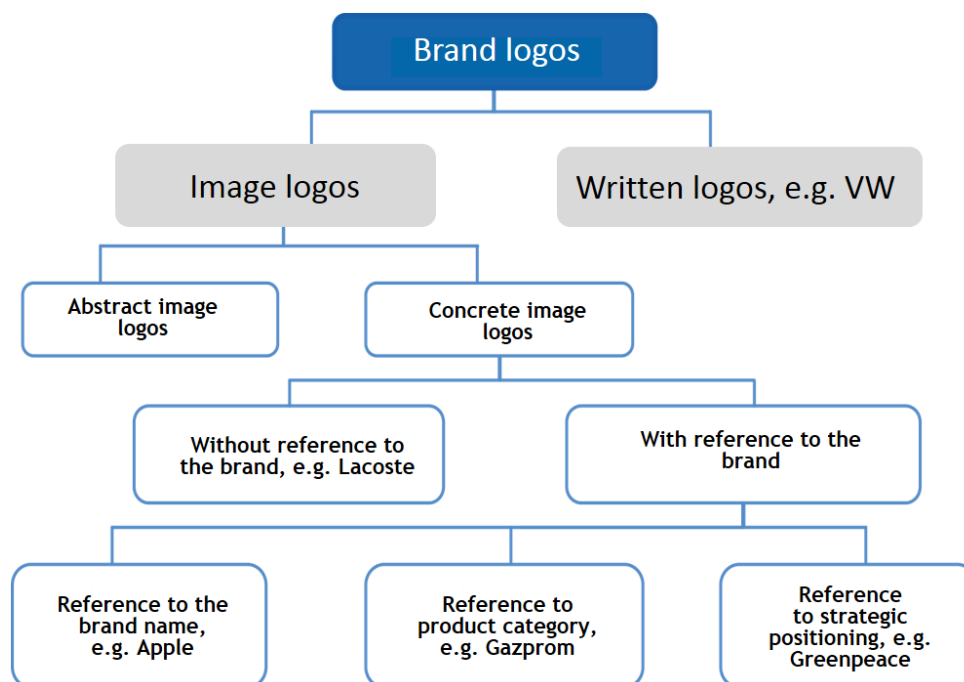


Figure IO1_3_2_2: Different logos

Source: Kaminski, H./Schröder, R. (2011): *Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 8* [German-language publication]



1. Try and come up with an idea for a logo on your own. Draw it in the box below. Remember to:

- Follow the KISS rule: “Keep It Short (and) Simple!”
- A logo is a sign for your company and NOT AN ILLUSTRATION.
- The most popular logos comprise of little colour and have few details.



2. Present the pictures to the other students.
3. Do you like any of the logos that have been suggested? Or can the ideas presented be incorporated and developed into a joint logo?
4. The company logo should be created as an image file, so that you can use it on all correspondence, on posters and on advertising, but is also used primarily to label your products. Is there somebody in your team who can work with a graphics software programme that he/she could take on the responsibility of the digital version?

Hints and tips:

- Think about the resolution of the image when creating the digital logo so that you can use the logo in small form (e.g. on a letter header) and large (e.g. on posters).
- Make sure that your logo remains readable when minimised to a smaller form (of your products, letters)!
- The logo of your Student Company must not be confused with logos of other companies!



Topic 4: Legal status of the Student Company

Didactic Objective:

Students deal with legal statuses of companies. They get to name legal statuses known to them as well as companies who use this legal status. They learn the influence that this legal form has on the company and they deepen their knowledge with research exercises.

They select legal status for their Student Company and justify their choice.

Time required (Lessons included preparation and evaluation)	Main topics
One lesson	<ul style="list-style-type: none">▪ Legal statuses and companies▪ Selection of legal status for the Student Company▪ Consequences of the selection of a legal status for the Student Company

Materials:

Material IO1_4_1: Legal Status – the company structure to the outside world



Material IO1_4_1:

Legal Status – the company structure to the outside world

You have probably seen abbreviations besides company names, such as AG or GmbH. They are so-called legal forms or legal statuses.⁵

Selecting the legal status of a company greatly influences the liability and the level of participation of the investors as well as the financing possibilities of the company.

Examples of different legal statuses:

- ⇒ BÄKO Weser-Ems-Mitte eG
- ⇒ Die Deutsche Bahn AG
- ⇒ EWE NETZ GmbH
- ⇒ Reisebüro Alte Molkerei OHG

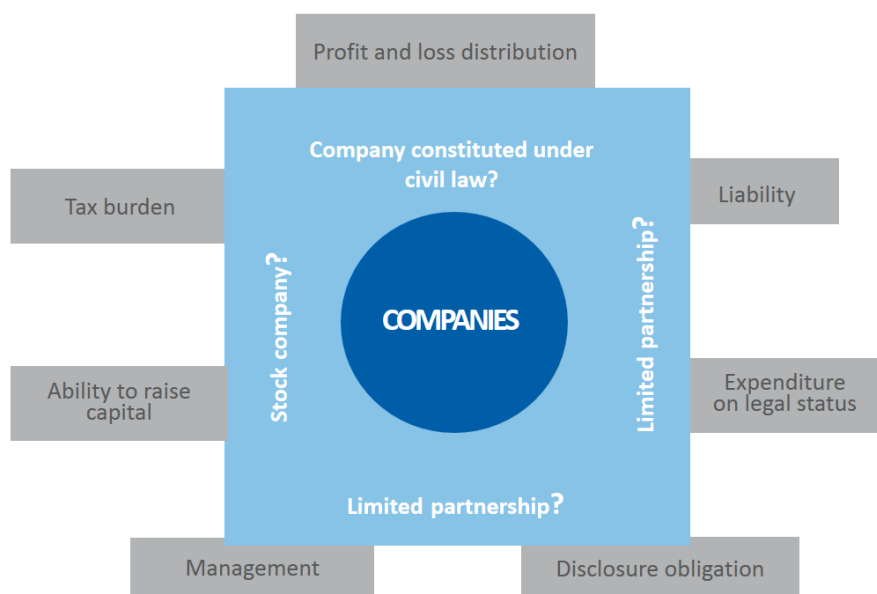


Figure IO1_4_1_1: Legal statuses and organization of companies

The following legal statuses are permissible for a Student Company:

- In a **Offenen Handelsgesellschaft (OHG) [General Partnership]**, all the investors (also called shareholders) are authorised as the management of the company. However, the shareholders are liable with their entire private assets (unlimited liability) as well as for the mistakes of the other shareholders (joint liability). There are no regulations regarding the minimum amount of equity.
- An **Aktiengesellschaft (AG) [Stock Company]** divides equity into shares and sells them to investors. Shares can be bought or sold easily on the stock markets. The shareholders elect the members of the Board at a yearly Annual General Meeting (AGM) and they also elect the Supervisory Board which monitors the Board. The shareholder has one vote per share. The liability of the shareholders is limited to the purchasing price of the share. The share capital, i.e. the minimum amount of equity, totals 50,000 euros.

⁵ Source of the text in this material: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 26f. [German-language publication]



- A **Gesellschaft mit beschränkter Haftung (GmbH) [Limited Liability Company]** also limits the investor's liability to the amount of the equity invested. However, the shares cannot be so easily bought and sold. Like a Stock Company, the shareholders elect the management; a Supervisory Board can be, but does not have to be elected. Co-determination of the shareholders is measured on the share of total equity capital. The capital contribution is at least 25,000 euros.
- The **eingetragene Genossenschaft (eG) [Registered Cooperative]** is founded by at least seven shareholders. Like a Stock Company, there is a main meeting (known as a General Meeting), a Board and a Supervisory Board. There are no requirements on minimal capital. Liability is generally limited to the capital contribution; however, a funding obligation can be agreed upon. Regardless of the amount of equity invested, each shareholder has one vote.

As the short descriptions above make clear, **the selection of the legal status has a big influence on the co-determination and the investors' risk of liability**. Given their unlimited and joint liability, OHGs are set up by people that know each other well (mainly siblings, couples or friends). Because of its unlimited liability, a OHG obtains credit easier than, for instance, a GmbH.

In setting up a Student Company, the letter S should be inserted in front of the legal status abbreviation, e.g. SAG for Student Stock Company, so that the Student Company is not perceived as a "real" company (entered in the commercial register, i.e. the official register for traders at the local court) with all legal obligations for traders. Furthermore, School Companies can ignore the minimum amount equity invested in the company (concerns GmbH and SAG).

1. **Note the legal status you would like to give to your Student Company and justify your decision.**



Topic 5:

Looking at finances: Expenditure, pricing – Creating a financial plan and securing starting capital

Didactic objective:

The students deal with finances of a Student Company. The analysis of topics such as expenditure and price calculation leads to calculating the prices of the products or services offered by the Student Company. Fixed and variable costs are explained and related to the work of the Student Company. Once the students have set the price limit for their offer, they learn to ask for prices based on the ability of their target group to pay. To this end, they exploit different methods that can be applied to determine the ability to pay, applying these methods in practice. The second step involves the students discussing the importance of a financial plan when setting up the company and then draw up one for their business model. That way, the amount of the starting capital necessary for set-up is defined.

Acquiring starting capital for setting up the Student Company is the guiding theme and, at the same time, the goal of the second part of the lesson. The introduction of the concepts of equity and borrowed capital as well as the advantages and disadvantages of companies financed by the company's own capital and equity are discussed. Students gather information and exchange ideas on how starting capital could be raised and create a binding action plan for their team.

Time required (Lessons included preparation and evaluation)	Main topics
Three lessons	<ul style="list-style-type: none"> ▪ Fixed and variable costs ▪ Calculation of prices ▪ Financial plan ▪ Equity and borrowed capital ▪ Obtaining starting capital

Materials:

Material IO1_5_1: Fixed and variable costs: necessary expenditure and financial planning

Material IO1_5_2: Setting prices

Material IO1_5_3: Financial plan and starting capital

Material IO1_5_1:



Fixed and variable costs: necessary expenditure and financial planning

You have already looked at different aspects of your Student Company, but finances and price calculation are also part of the concrete planning. Creating a financial plan gives you an initial overview of the costs which need to be covered through necessary expenditure (furniture, computers, etc.) as well as through the manufacture or creation of your product or service. A financial plan provides an important basis for determining the prices of your products. The prices must be calculated in such a way that you generate a profit on the one hand, but your offer attracts customers on the other hand.⁶

The financial plan is based on information on necessary expenditure as well as the costs which arise in manufacturing the order. First, gain an overview!

Expenditure

1. Consider what expenditure is necessary so that your Student Company can be set up. Which room space do you need? Do you need furniture or for the room to be equipped in a certain way? Do computers or tools have to be bought?

Find out the value of your expenditure in that you list each item in the table below...

Necessary expenditure			
Amount	Description	Unit price	Total price
		Amount	

Table IO1_5_1_1: Necessary expenditure in our Student Company

⁶ Source of the text in this material from: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 16ff. [German-language publication]



What costs arise in production?

Costs arising from production and sales are underestimated. A typical example includes music CDs produced professionally (see the figure below). Actual manufacture of the CD is only a fraction of the production costs. The sales costs should not be underestimated.

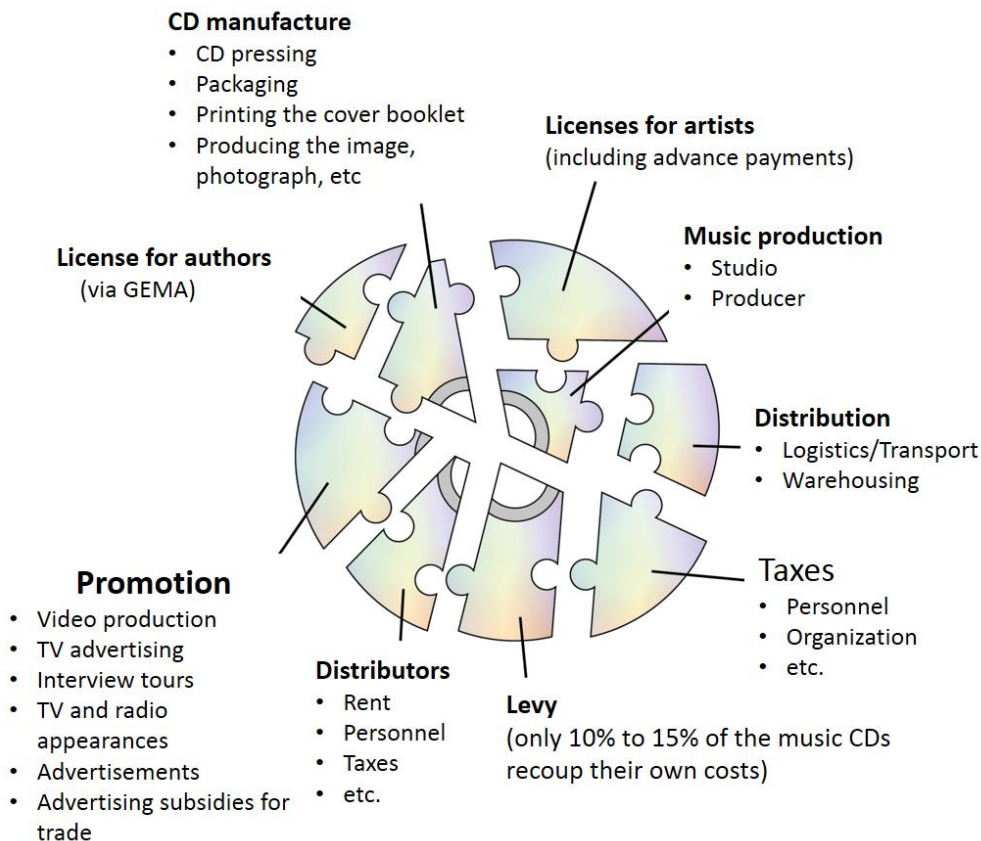


Figure IO1_5_1_1: Production costs of a music CD

Many products, such as perfumes, aftershaves and cars, include the development costs in their prices. Development costs for new car models, for instance, can quite easily run into the billions.

Student Companies will probably not incur some costs, such as rent or travel costs, meaning that you will be able to produce cheaper than a real company. Thus, a Student Company can slightly undercut the prices of a “real” company. It is, however, very important for you to know exactly which costs are going to be incurred so that they can be considered when determining the prices for your offer.

You should firstly differentiate between fixed and variable costs.

Fixed costs arise irrespective of the amount produced. These include monthly rent payments or advertising costs.

Variable costs are bound to the amount produced. This includes the material with which, for example, your product is constructed.



Fixed costs

2. Look at the checklist of fixed costs (see the following page) and find out which fixed costs are relevant for your Student Company. Place a cross in the box and then write them down in Table IO1_5_1_2.

Fixed costs (per month)			
Amount	Description	Unit price	Total price
Fixed costs total (euros)			

Table IO1_5_1_2: Fixed costs in our Student Company



Fixed costs: a checklist

- ☐ **Personnel costs**
Do you need personnel? Will they be paid? How much?
- ☐ **Rent/Tenancy**
What sort of office and/or production space do you need for your business activity? Research the rental costs for your cost calculation!
- ☐ **Heating/electricity/water/gas**
What energy and consumption costs arise in using the office and production space?
- ☐ **Advertising**
How much would you like to invest in advertising your product or service when it is launched on the market and in the first year of your business activity?
- ☐ **Insurance**
Are you planning to include paying insurance contributions in your calculation to cover against your largest risks, e.g. fire, burglary or theft?
- ☐ **Transporting costs**
What costs arise when using company transportation or a hired vehicle? You can also include costs which would arise when transporting your products here, too.
- ☐ **Office material/telephone/fax/internet**
Think about the office costs and consumables such as paper, pens, folders, etc.
- ☐ **Accounting/tax advisor**
If you are not from this area yourselves, you will require know-how to do your accounting and tax returns. You must buy in this know-how and factor it into your calculation.
- ☐ **Interest**
To finance your business, you probably have to take on a long-term loan (to equip your machine line or to kit out your office with office materials and computers). You have to pay annual interest on the loan:
$$\text{Interest rate} = \frac{\text{Loan} \times \text{interest rate}}{100}$$
- ☐ **Depreciation**
Over the years, capital goods are subject to a loss in value, which need to be included as costs in your calculation. This loss in value is called depreciation and can be calculated with the following formula
$$\frac{\text{Acquisition costs}}{\text{Average length of use}} = \text{Depreciation in euros /year}$$
- ☐ **Other costs**
Perhaps some other fixed costs arise when producing your product or in devising your service? Have a think; and if there are other costs, then make a note of them in [Table IO1_5_1_2](#).



Variable costs

Variable costs concern costs which arise in conjunction with manufacturing of your product or preparing your service. The variable costs can vary from month to month as they are dependent on the amount produced.

3. Write down the variable costs in Table IO1_5_1_3 which arise in manufacturing the product or preparing your service.

Hint: To help you complete this table, you can look at a model calculation of a fictitious Student Company beforehand, which you can find on the next page.

Variable costs (for each item to be produced)			
Amount	Description	Unit price	Total price
Variable costs total (euros)			

Table IO1_5_1_3: Variable costs in our Student Company



*We are the Student Company “Holzfux” producing wooden tables.
Our fixed and variable would look like this:*

Fixed costs (per month)			
Amount	Description	Unit price	Total price
1	Rent for use of the school workshops	200.00	200.00
1	Electricity	10.00	10.00
1	Advertising	240.00	240.00
150	Advertising leaflets	3.50	525.00
6	Printer cartridges	27.00	162.00
2	Printer paper	2.45	4.90
1	Internet connection and telephone	4.00	4.00
Fixed costs total (euros)			1,145.90

Variable costs (per piece produced)			
Amount	Description	Unit price	Total price
4	Square timber, 8 cm x 8 cm thick and 75 cm high as table legs	6.99	27.96
4	Round bars with 3 cm-diameter, 57 cm long	20.22	80.88
4	Round bars with 3 cm-diameter, 82 cm long	21.22	84.88
1	35 mm-thick table top, 100 cm x 75 cm large	11.85	11.85
8	Wooden dowels	0.22	1.76
1	Wood glue	11.29	11.29
1	Sanding paper	4.99	4.99
1	Wood oil	23.50	23.50
Variable costs total (euros)			247.11

Figure IO1_5_1_2: Example for the calculation of fixed and variable costs of a fictitious Student Company



Material IO1_5_2: Setting prices

You want to sell your product or service on the market. Your product, then, needs a price. So, you need to consider the following when setting your price:

- What costs are going to arise?
- How much profit do you want to get?
- What price can you demand from your customers?
- What is the price of your competitors' products?⁷

Two key factors influence the setting of prices: on the one hand, the costs you need to cover to create an order; on the other hand, the prices of your competitors who offer the same or similar products as well as the customers who must be willing to pay the prices for your products (see Figure IO1_5_2_1).

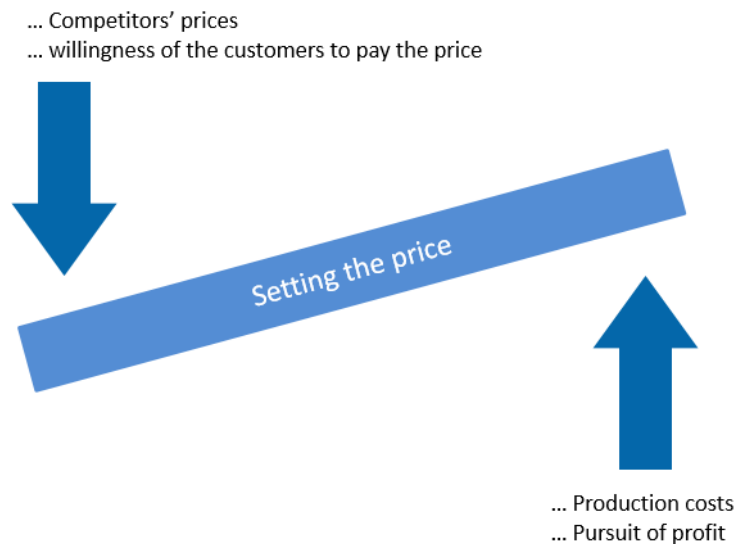


Figure IO1_5_2_1: Setting prices

To set the price of your products, you could go about it in the following way:

1. The first step involves you setting the lower price limit based on the calculated costs,
2. The second step involved you conducting a market analysis to find out at which prices the competitors sell the same or similar product.

This way, you give yourself an initial overview which can form the basis of a realistic setting of prices for your products.

⁷ Source taken from: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 20 [German-language publication]



Step 1: Setting the price based on calculated costs

The price must be calculated in such a way that at least the manufacturing costs of your product are covered. To guarantee that these costs are covered, the lower price limit must be determined. This can be calculated by dividing the overall costs during the time of production with the amount produced.

$$\frac{\text{Gesamtkosten des Produktionszeitraums}}{\text{Produzierte Stückzahl}} = \text{Stückkosten (Preisuntergrenze)}$$

Entire costs during period of production

$$\frac{\text{Produced pieces}}{\text{Produced pieces}} = \text{Costs per piece (lower price limit)}$$

The lower limit of price for the offer of the “Holzfux” Student Company (Cf. Material IO1_5_1) is 361.70 euros per table. We have assumed that we will produce ten tables per month.

$$\frac{10 \times 247.11 \text{ €} + 1,145.90 \text{ €}}{10} = 361.70 \text{ euros}$$

Figure IO1_5_2_2: Example for calculating the lower price limit in a (fictitious) Student Company

1. Have you already considered the purchasing price of all products or goods required to implement your business idea (fixed and variable costs)? Think about how many products you would like to produce in one month.

Using the formula presented above, you can find out the unit price of your products. Please make a note of it in the space provided below.

Hint and tip: You can also look at the model calculation of the fictitious Student Company (Cf. Figure IO1_5_2_2).

Lower price limit of our product or service



Step 2: Setting price on average market price: a market survey

Setting prices is not so easy. On the one hand, the price must be calculated in such a way that the costs are covered. That is why your first calculation involved you calculating the lower price limit. But on the other hand, you would like to make a profit. And yet, the price cannot be set too high for the customers.

Therefore, it is sensible, in the second step, to find out the prices of the same or similar products offered by the competition. Prices have a kind of signalling effect: they provide clues on what customers are willing to spend for a product.



Many factors can determine the ability of your customers to pay for your product or service, e.g. whether a similar or the same product or service is available on the market for a cheaper price; whether customers are interested in your product; and the amount of money customers have. Carry out a market survey to get an idea how high your prices can be set.

2. At what prices does your competitor offer similar or the same products? Choose a method to help you collect this information and create an overview after completing your research. Alternatively, you can check different sources in your groups and compare the information that you have collected.

You can use the following methods for your research:

- Internet search
- Interview survey
- Written survey
- Analysis of catalogues, brochures and leaflets, etc.

3. Decide what conclusions regarding price setting can be drawn from your research. Make a note of the lower price limit for your products which you calculated beforehand.



Material IO1_5_3:

The financial plan and starting capital

To set up your Student Company, you need starting capital. In Material IO1_5_1, you calculated the level of expenditure required. The amount of fixed and variable costs is also known to you. Now consider how much starting capital is necessary so that your Student Company can be set up and how you are going to acquire that starting capital.⁸

Together with the business idea, the financial plan is a vital part of the wider concept in setting up a business. A financial plan serves to manage financial operations as well as guaranteeing the solvency, i.e. the ability for a company to pay its way.

Consequently, you must distinguish between two areas:

1. The **capital requirement planning** consists of:
 - purchasing fixed assets (computers, furniture, etc.),
 - purchasing a minimum of raw materials, supporting materials and working materials necessary for a smooth running of production.
2. The **liquidity planning** consists of planning incoming and outgoing payments.
3. The following points are important:
 - the incoming payment of the investors,
 - the outgoing payments for expenditure,
 - outgoing payments for costs (wage costs, consumables, energy costs),
 - outgoing payments (particularly loan repayments) to the investors.

An important characteristic of the financial plan is the periodic analysis, i.e. at fixed intervals. Try and get as close to an exact and realistic overview as possible: when do you expect to pay what? On the other hand: what revenues can you expect at what time? Then you will find out what the liquidity requirements and surpluses are in one month. The greater the detail of your planning, the fewer unpleasant surprises you will encounter: For a company to survive, it is not just efficient to make high profits in the foreseeable future.

The supreme rule of survival is: a company has to be able to meet its financial obligations all the time!

⁸ Source of the texts in this material: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 22ff. [German-language material]



The financial plan is, therefore, very important, both for the company founder as well as for the investors. The first audit is conducted to see whether the business idea is profitable, if so, then when.

Incoming payments/ Outgoings	Period			
	September	October	...	Total
Incoming payments				
Revenue				
Product I				
Product II				
Product ...				
Investors' cash deposits				
Loan provision				
Outgoings				
Expenditure				
Property				
Fixed expenditure				
Costs				
▪ Wage costs				
▪ Material costs				
▪ Energy costs				
▪ Interest (on loan)				
▪ ...				
Loan repayment				
Profit/loss				
Σ Revenue. / .Σ Costs				
Liquidity surplus/ Liquidity gap				
Σ Incoming payments. / .Σ Outgoing payments				

Table IO1_5_3_1: Our financial plan



Starting capital

Alongside costs, the profitability of a company depends substantially on revenue. In creating your financial plan, you cannot calculate exactly to every single cent. But analysing your sales market and surveying customers can give initial useful information on potential sales potential which you can likely expect.

Creating your financial plan gives you clarity in which months or at the start of which months a surplus in liquidity is necessary, e.g. in terms of loans or cash payments of the owners.

1. Calculate the capital requirements of your company. The calculated capital must be enough for expenditure and to be able to cover costs until the first sales revenue is generated or is credited to the company's bank account.

After creating the financial plan, the task is then to acquire the necessary starting capital. A difference is made between equity capital and borrowed capital.

Equity is paid into the company by the owners of the company; the terms *contribution* or *deposit* are often used in this sense. The company permanently has access to this money and it does not have to be paid back. Investors providing equity could be:

- the company founder
- external individuals or institutions

Securing external investors as investors is the basic principle of stock companies. Shareholders can buy or sell stakes of equity (known as shares). For large-scale companies, this would occur on the stock market.

Borrowed capital is loaned to the company for a period and must be repaid with interest, i.e. paid back. The period could range from a couple of days (e.g. bank overdraft) to decades (often with property).

The general rule applies: Securing borrowed capital requires equity as collateral. Loans are only then granted by external lenders if the borrower can guarantee repayment through his/her own capital or collateral, e.g. private property. This is the reason why many business founders choose a partnership as the legal status for their company



Equity or borrowed capital?

At first sight, this question can be easily answered: Borrowed capital is necessary if your own equity is not enough to set up a company. This answer is not incorrect, but falls a little short.

Basically, shareholders have a greater influence on the company than lenders. The extent of involvement in the company increases as the size of the equity in the company increases. This is a large risk with stock companies as the shares can be easily bought and sold. This can lead to hostile takeovers where an unfavourable investor from the company management buys up most the company shares and gains overall control.

On the other hand, the level of influence of external lenders is smaller. However, interest and repayments must also be paid back in economically difficult times. This means a company is more vulnerable to crises when it has a higher proportion of borrowed capital. Investors are clearly more willing to reduce their claims to interest on their own equity.

Nearly all companies are financed through equity or borrowed capital. According to the “golden” balance sheet rule, fixed assets should at least be financed through equity. A Student Company should be financed through equity, not least because of the legal problems in obtaining credit from a bank.

Acquiring starting capital

2. Have you considered where you can acquire the starting capital for your Student Company? Talk about the options detailed below for acquiring capital and discuss which solutions would be possible for you. Then complete the **Table IO1_5_3_2** with your suggestions. Consider and name all the necessary steps for implementation. Select a person who will be responsible for the implementation of your proposal. But you should consider the following questions:

a) How much of your own capital could you invest yourself?



b) Are there any companies nearby who could support your financially? Have you already considered offering a company in your region the role as a sponsor for your Student Company? Which companies might be eligible? Research and consider which companies would be most suitable for this purpose. Discuss with your teacher how you could establish contact with this company or these companies.

c) Can your school or School Council offer financial support? Perhaps you can secure “credit” for a period?

d) Can, for instance, donations be gathered (e.g. from your parents)?

e) Perhaps you can start a campaign (e.g. a raffle) or launch a project (e.g. selling cake at Christmas festivities and/or Christmas decorations or Christmas cards) beforehand to generate the starting capital to set up your Student Company?



f) Do you know of support programmes or contacts who would be able to support your project? Research the internet!

g) Do you have any other ideas to acquire starting capital? Write them down and discuss them in your team!

Starting capital of ...	What steps are we going to take? Name these concrete step	Who is respon- sible?	Deadline when to be done?

Table IO1_5_3_2: Acquiring starting capital for the Student Company



Topic 6:

Our market and the customers – Market and customer analysis

Didactic objective:

Students deal with the causality between the success of companies and extensive knowledge around the market and customers. They find out why this knowledge is decisive for any business idea and how this information can be used in a targeted way and to generate profit. They become acquainted with relevant criteria in this context for customer analysis, coming to know the importance of this criteria in the context of the work of the Student Company. The students systematise existing knowledge about customers or the target group for their Student Company and, if necessary, which information they further require. They become familiar with instruments with which they can get this information and apply them. The customer analysis is evaluated, reflected upon and integrated into the work of the Student Company.

Time required (Lesson including preparation and evaluation)	Main topics
Three to four lessons	<ul style="list-style-type: none">▪ Market analysis▪ Internet research▪ Customer survey

Materials:

Material IO1_6_1: Market analysis

Material IO1_6_2: Our customers



Material IO1_6_1: Market analysis

Precise understanding of the market where you will offer your product or service is vital for your business to succeed. It is only when you know your target group, your competition and the size of your market that you can offer your product or service in a manner that is targeted and oriented to the customers' needs, and advertise accordingly. Knowledge about your competitors also gives you information on how much money your customers are willing to pay for your product or service and what the customer is lacking in the existing offer from the competitors.

It is also important for your decision making to evaluate information on development perspectives of your market.

An internet search is ideal for the initial market analysis. The internet provides information quickly and easily. At the same time, though, the internet can lead to a lot of confusion. That is why it is important you are well prepared to carry out the internet search!

Hints and tips on an internet search

1. Preparation

Before you start, you have to know exactly what you are searching for:

- On what topic are you searching information?
- Why do you need the results?
- Which sources of information are useful?

Regardless of the information that you will get at the end, you will sometimes need specialist texts, sometimes need newspaper articles and sometimes require statistics presented in graphs.

2. Implementation

If you do not know the exact internet address, then search engines can help. They can search many millions of internet pages for certain terms and list the best hits.

3. Evaluation

It is very important to evaluate critically the information that the internet has found:

- Where does the information come from and how can the source be judged?
- What sort of information is it (news item, statement by an institution, personal opinion, etc.)?
- What interests are represented by the information provider?



Source: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 10 [German-language publication]



1. What other sources of information can you use for your market analysis?

2. Collect the following information about ...

⇒ **Your competition**

Are you the sole supplier? Who are your potential competitors on the market? How is the market distributed? How strong is customer loyalty among your competitors?

⇒ **The size of the market**

How big is your market? How do you judge the need for your product/your service? Are there regional limits? Do you want to offer your product/your service internationally?

⇒ **Your target group**

Who do you want to sell to? Who should be interested in your product/your service and for what reasons? Consider demographic information, such as age, occupation, gender, size of household, etc.



⇒ **Market development**

Is your market growing or is it saturated?

3. What are the results of your market analysis? Describe your product's sales market:



Material IO1_6_2: Our customers

Customer is king!

Customers decide whether your Student Company will be a success or not. Therefore, you must find out beforehand if your future potential customers like your business idea.

The better you know your customers, the easier it will be to adapt your product to their needs or discover new possibilities to extend or improve the products or services offered by your Student Company.



Figure IO1_6_2_ 1: Interests and needs

To develop marketing strategies for your Student Company, it is also important to know as much as possible about your customers, the target group of your activities. How you speak to your customers very much depends on their age, gender, interests and needs. Knowing your customers is the key to successful marketing of your products. It is not only important in selecting the means of advertising (leaflets, posters, radio, internet site, etc.), but also for the way you speak to your customers (visually, verbally, etc.).

That is why it is important to be able to answer the following questions:

- **Who** is a potential customer? (target group)
- **How much** is bought? (purchase quantity)
- **Why** do customers buy? (buying motives)
- **Where** do customers buy? (choice of places to shop)⁹

At the same time, you need to be clear about the aims of the customer analysis. Please note that you should determine the demand, needs, requirements and wishes of the customers so that your customers are satisfied with what you offer and stay loyal.

Customers can also help you ...

- To recognise strengths and weaknesses from their perspective.
- To recognise weaknesses with the products and eliminate them before customers leave you and go elsewhere.
- To develop possibilities to improve the Student Company, e.g. so that the team works in a more customer-oriented way.
- To inform you of ways of motivating customers to buy your product.
- To detect trends which you could use for your business success.

⁹ Source: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 13 [German-language publication]



1. Read the following text.

“Customers tick differently today”

– Extract from an interview with Andrew Robertson, Chief Executive Officer of the advertising company *BBDO Worldwide, New York*. (BBDO is the second largest advertising agency in the world)

(...)

Question: You observe customer behaviour around the world. What has changed in the economic crisis?

Answer: The big trend is that customers are buying more consciously. We have observed that customers spend 20 minutes longer in the supermarket without spending more money. That means they study the products much more closely. Shopping driven by emotions is declining around the world. Customers tick differently today. Markets have to realign themselves differently in these difficult times. For our industry, this means we have to concentrate even more on the customers and constantly monitor the instruments we use for advertising. Nice advertising plans made six months' ago belong in the waste paper bin. (...)

Source: Handelsblatt, Nr. 098, 25.05.2009

2. Consider on your own and write down what you already know about your customers and what would be interesting to find out. If your Student Company has already started with its work, then consider conducting the customer survey in at least two groups: “Not yet customers” and “Already Customers”. If this should be the case, then you can ask different questions to the different groups. For example, “Not yet customers” can say more on how you could better reach your customers (with your advertising, your products), whilst “Already Customers” can give you more targeted information on the satisfaction of your products or provide you with suggestions for improvement.

This is what we already know about our customers:



This would be interesting to find out:

But how can you really gain the information about or from your customers? There are different possibilities, e.g.:

Survey: You can survey your customers directly, be it online, by telephone or directly face-to-face (verbally) or using a questionnaire. You should be prepared in advance and come up with targeted questions!

Observations: You can observe your target group for a time and come to up with conclusions. For instance, does anyone notice our advertising? How many people notice it? Who (age, gender, status, etc.) is more or less likely to be notice our advertising? Which products are more frequently sold and which are not?

Competition: Watch your competitors and look exactly at who their customers, how they gain the customers' attention and how they keep their customers. Prices, too, also provide information on how much your customers are likely to pay for a particular product!

Irrespective of the information that you acquire, you should be first clear about exactly what sort of information you are looking for. Therefore, it is sensible to create a catalogue of questions that structure your search and ensure that you work in a results-oriented way.



3. Come up with questions which will help you get to the information you need about your customers:

4. Consider how you are going to come together with your target group: Do you want to develop a typical questionnaire or talk to your target group directly? Or do you have other suggestions? First, discuss what you are going to decide on and write it down. Agree between each other what the survey is going to look like and at what point you need to gain the necessary information.

We shall get the information by ...

Name the individual steps and write down how you will collect the information and by when this should be completed.

We will have the information needed from/about the customers by:



5. What are the results of the survey? Write down the most important information!

6. Try to characterise your customers briefly and concisely. Describe them as objectively as possible!

Example: Our customer is a student from a secondary school, 12 years old, male/female and has around 10 euros per month, cycles to school.

7. How do you want to use the results of your survey? Discuss this in your team and write up the suggestions!

Remember that customer preferences will change over time and that it is worth surveying customers constantly or in regular intervals!



Topic 7: Marketing: Presenting us to the outside world

Didactic objective:

The students deal with marketing instruments, learn about the many ways of advertising which are used in marketing. In doing so, the role of advertising is addressed and the difference between informative and manipulative advertising highlighted. The students develop a marketing concept for their Student Company and create (optionally) an advertising slogan. The second step turns attention to the professional and uniform presentation of the Student Company to the outside world. This includes conceiving a template for presentation of the Student Company as well as for business letters and emails. Finally, there is a discussion about designing a homepage for the company. If the students decide on a homepage, the content is determined and structured.

If the students canvass potential donors for starting capital, then they create a presentation of their business idea taking the previously developed uniform layout into account.

Time required (Lesson including preparation and evaluation)	Main topics
Three to four lessons	<ul style="list-style-type: none"> ▪ Marketing instruments and means of advertising ▪ Marketing mix ▪ Advertising slogans ▪ Professional presentation (PowerPoint, business correspondence, presentation of the business idea)

Materials:

Material IO1_7_1: Presenting us to the outside world

Material IO1_7_2: Advertising slogans

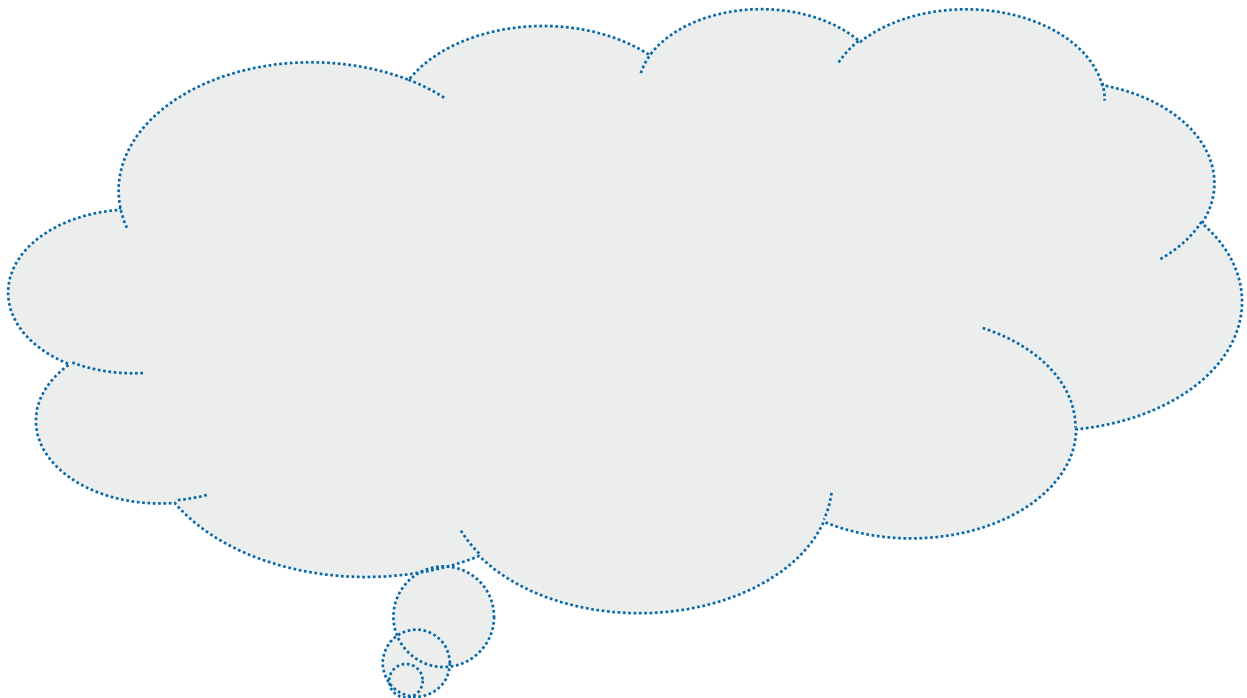
Material IO1_7_3: Presenting the Student Company to the outside world

Material IO1_7_4: Presenting the business idea

**Material IO1_7_1:****Presenting us to the outside world**

If you set up a company and would like to sell products or services, then you must make them known. After all: other people also need to know that they exist and what it is exactly that is being offered.

1. How do companies and businesses attract attention to themselves and their products? What comes to mind first if you think about a product? Write the possibilities you know in Figure IO1_7_1_ 1, how, where and with which means can customers' attention be attracted to companies and products/services.



The range of products/services was made known to be through ...

Figure IO1_7_1_ 1: Marketing instruments

The role of advertising¹⁰

Whoever manufactures goods or offers a service will also want to sell them. But how does the consumer know what goods or services are available, and where? Advertising is a means of:

- Making products and services known to the consumer;
- Informing them;
- Awakening a need for them;
- Building a positive image; and
- Motivating the consumer to buy.

¹⁰ Source of the following three essays: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 32ff [German-language publication]



Information or manipulation?

Which information in the advertisement helps the consumer? Advertising is particularly useful for the consumer if s/he can make comparisons with other products using the information, such as information about price, amount and quality. This sort of advertising is found mostly in daily newspapers, leaflets at supermarkets and on placards.

On the other hand, advertising on TV, radio or in magazines predominantly appeals to the consumers' feelings and tries to persuade him/her to buy. Precise statements about the product are hardly made, and prices are rarely quoted. This sort of manipulative advertising often contains recognisable tunes, advertising slogans; tell short, heart-warming stories; present thought leaders, comic figures, science fiction heroes, etc. They use everything to attract and everything that can appeal to feelings.

The chocolate side

Advertising always presents the "chocolate side" of a product, its uses and its advantages, never its weak side. This is more successful if the advertising - alongside the information - also appeals to consumers' feelings, values and attitudes and tries to influence them.

The sequence of the effect of advertising is described using the so-called **AIDA rule**:

A = attention = attract attention

I = interest = generate interest in the product

D = desire of possession = awake a desire to own the product

A = action = bring the consumer to act/buy

2. Choose a product or service from your competitor and analyse the advertising for this product/service. How is the AIDA rule used?



3. Analyse the table IO1_7_1_1 and decide which form of advertising could be used for your Student Company. Put a cross in the respective box(es).

Means of advertising			
Media advertising			Non-media (personal) means of advertising
Print advertising	Electronic media	Other forms of advertising	
<input type="checkbox"/> Logo <input type="checkbox"/> Advertising poster <input type="checkbox"/> Advertising brochures <input type="checkbox"/> Packaging <input type="checkbox"/> Product catalogue <input type="checkbox"/> Trademark	<input type="checkbox"/> Advertising film <input type="checkbox"/> Radio spot <input type="checkbox"/> Homepage <input type="checkbox"/> TV clip <input type="checkbox"/> Banner on the internet <input type="checkbox"/> Neon sign	<input type="checkbox"/> Advertising gift <input type="checkbox"/> Trial of product <input type="checkbox"/> Special offers <input type="checkbox"/> Sponsoring <input type="checkbox"/> Product display/Shop window <input type="checkbox"/> Stand at a trade fair	<input type="checkbox"/> Telephone call <input type="checkbox"/> Telephone advertising <input type="checkbox"/> Promotion lecture <input type="checkbox"/> Promotional act <input type="checkbox"/> (Fashion show)

Table IO1_7_1_1: Using different means of advertising in the Student Company

Source: Kaminski, H./Schröder, R. (2011): *Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann*, 33 [German-language publication]

The word “marketing” contains the word market and that is what it is all about: how does the product or service have to be designed so that it can be offered on the market? For how much can it be offered on the market? How can the product or service be promoted on the market to increase sales? How should sales be organised?

As these questions are closely connected to one another, the term marketing mix is often used which includes the four areas (the four Ps):

- Pricing policy
- Product design
- Policy on communication
- Policy on distribution

4. Form four groups and write down key words on how you could cover the four areas of marketing for your Student Company. Then present them to the forum and say what ideas you have got.

**Group 1: Product design**

How do you want to design your product or which form should it be brought on to the market (name, logo, packaging)?

Notes:

Group 2: Pricing policy

At what price do you want to offer your product? Also consider what costs have to be covered and at what price does the competition offer the product on the market? What discounts can you make? When and what special campaigns can you organise? What other campaigns could you do in this area?

Notes:

**Group 3: Policy on communication**

How can you make your product known to the customer and which advertising possibilities can you use? What existing advertising platforms can you use (the school's homepage or Facebook site, your own networks, school radio, etc.)? Can you develop new ones? If so, which ones?

Notes:

Group 4: Policy on distribution

How should your product reach your customers and how do you want to organise sales?

Notes:



5. Present your ideas from the group work. Pay attention that the suggestions that you have formulated are suited to your target group. In the team, discuss which of the ideas presented can be implemented, and which ideas require improvement. Give reasons why some ideas cannot be adopted.

My notes:

6. At the start of your work and for the initial launch, it makes sense to consider campaigns to attract the customers' attention to your products or services. This could, for example, be an opening ceremony, offers, trial prices or a week of campaigns (with prize raffles, vouchers or a wheel of fortune). Think about what could increase the popularity of your Student Company and your range of products or services with your target group?

My notes:

7. Are there regular events or festivals at your school or in your region which you could use for advertising and to sell your products/services? Which ones would be particularly interesting for you to attract your target group? And how exactly could you use this form of advertising for your Student Company? Collect ideas and information and write these down in the following table in the correct chronological order.



Date	What takes place?	What must be prepared?	Who is responsible for the preparations?



Material I01_7_2: Advertising slogans

Companies do not just advertise their products and services with their name and their logo, but they often use advertising slogans as well. If the slogans are

good, they remain on people's minds for a long time, just like a pop song. Ideally, they become by-words for the product or service and develop their own communicative momentum for the brand itself. Advertising slogans such as "Think different" (Apple), "Just do it" (Nike) also transmit the core idea of the company.

A good advertising slogan is an important element of a marketing strategy. But what makes a "good slogan"? And what does it need so that it can stay on people's minds?

Above all, an advertising slogan must be characterised by strong brand loyalty, so that the customer does not need to learn the slogan and for which brand is being advertised. Therefore, the slogan should make the mental link with the brand. This can be done in different ways. Whilst many companies highlight the advantages of the product in their slogans ("Guinness is good for you"; "Vorsprung durch Technik" for Audi), others use slogan that rhyme (The German sweets company Haribo use: "Haribo macht Kinder froh") or highlight a particular characteristic of the product (The German Ritter Chocolate bars: "Square. Practical. Good."). Others use a clear, simple message ("Atomic power, no thanks"). Slogans play a very big role in politics, particularly during elections. Can you remember who used the slogan: "Yes, we can"?

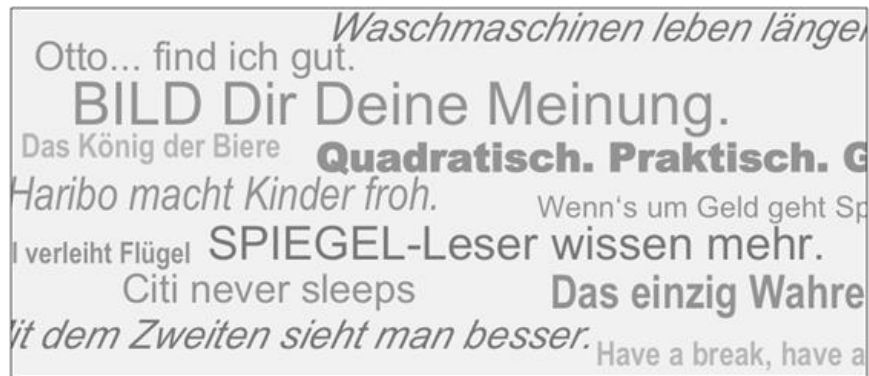


Figure I01_7_2_1: Examples of advertising slogans

1. Have you already thought about an advertising slogan for your Student Company? What could it be? Research the internet on this theme and let your creativity run its course!

Our advertising slogan:



Material IO1_7_3:

Presenting the Student Company to the outside world

Presenting your Student Company to the outside world needs to be uniform and consistent, so that you can project a professional image to customers, investors, school leaders, other students or new employees. Regardless of whether it is emails, business letters, PowerPoint presentations, distinct visual recognition is advantageous!¹¹

PowerPoint presentations

If you are creating a PowerPoint presentation, think ahead! Perhaps, as things develop with your business, you would like to create a homepage for your Student Company or perhaps send out press releases and, in any case, send business letters and emails. All of them need to be headed with a logo and must appear in the same font, colour and consistent design.



We speak of “corporate identity” in this context, i.e. the identity of a company is better perceived through a consistent and uniform appearance. A company presentation can be professionally designed using a PowerPoint presentation. You require a design that repeats itself on all the slides. The program has design template available which can be adapted accordingly. Completely new templates can also be developed. Just like with your business correspondence, you should also use a consistent company layout on all the slides.

Users of PowerPoint are often tempted by the many design options to create playful animations. You need to pay attention to the following:

- When presenting, you are the main character; the PowerPoint template is not!
- Embed your company logo in the layout.
- Use a standard font and use colour sparingly – less is often more.
- Use a font size that you can still read if you are in the farthest corner of the room – 16pt has proven itself to be the smallest font size.
- Formulate short, meaningful sentences which you can use as a kind of hook to attract attention during your presentation.
- Don't overload the slides.
- Animations should only be used when deemed necessary. The audience will get agitated if every sentence is displayed one at a time. The presentation is made more difficult in that you have to keep thinking about fading in.
- Pay particular attention to the consistent use of choice of colours. Use colours to ensure readability, i.e. don't use black on a dark blue background

Remember that a company presentation has to appear serious!

¹¹ Source of the text in this material: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 29ff. [German-language publication]



1. In small groups, develop a design (don't forget the logo!) for your presentation to the outside world. In your team, make suggestions, discuss them and select a template which can be used by everyone.
2. Note which font and font size you would like to use. Create a template with your logo for a PowerPoint presentation of your Student Company.

Business correspondence in Germany

The German Institute for Norms (DIN) has laid down guidelines for writing business correspondences in DIN 5008. They are not legally binding, but they simplify the design of business letters and emails so that they are clear and practical to use. The recipient of letters can thereby grasp the content quicker and does not have to search long for important information, such as telephone numbers, addresses, bank account details or other similar information.

Check your correspondences carefully and proof read letters and emails before they are sent out. This particularly applies to emails, which are sent very quickly at the click of a button. The same rule applies here: place the same amount of care and attention on business letters as you would attach to your day.

An email includes a subject line, a formal address ("Dear Mr. ..."/ "Dear Mrs. ..." as well as a complete closing to sign off. You should not use modern abbreviations, such as BW for "Best wishes", but the complete formal form, even in an email. Embed an automatic signature in your emails, so that the recipient can recognise your name, company name, address, telephone number at first sight.

It is important to ensure that business letters and emails follow the consistent and uniform company layout and it also matches, for example, your PowerPoint presentation.

Company homepage

It is unthinkable in today's day and age for a company not to have its own website. Who would like to miss an opportunity to present their products and ideas to potential customers and investors or employers around the world 24 hours per day? A website is an excellent opportunity for you to present your company, always offering you an up-to-date information channel to your target groups.



To present the most important information, the homepage of your business should answer the following questions quickly and comprehensively:

- Who is being presented on this homepage?
- What is the company philosophy?
- Who is behind the company? Who is in charge?
- Which products and services are presented?
- What do I get out of these products and services?
- What are the prices for these products or services?
- Where can I get the products or services?
- How can I establish contact? Who do I get in contact with?

The different pages of your homepage should have a clear structure, e.g.

- homepage
- About us: company presentation
- Product information
- Information on services
- Team
- Contact

3. Write down what structure you want to give your homepage.

4. What other possibilities can you think about to present your Student Company and your range of products/services (school radio, school newspaper, local newspaper, Facebook, etc.)? Write them down and check whether these ideas are feasible and, if so, how.

**Material IO1_7_4:****Presenting the business idea**

To receive financial support from potential investors and sponsors, you should persuade them of your business idea. It would be helpful to deliver a concept of your business model so that investors are certain to trust you to multiple their money. Consider in detail what are the most convincing and most important arguments?

Your presentation should cover the following points:

Summary

This is a summarised presentation of the company and business idea with its chances and risks:

- What is the idea?
- What is offered?
- What market opportunities and what risks does your business idea hold?
- What team is behind the company?
- What is the company's vision for the future?

The product/service

- What is the product idea?
- What uses does the product or service on offer have?
- How is it different from the competition?
- What possibilities for development do you see for your product/service?
- What is new about your product/service?

Sector/market

- How do you judge the sales market for your product/service?
- Where do you see further market opportunities?
- How do you want to develop yourself regionally?

Marketing/sales

- Which marketing activities do you want to use (product, price, sales and communication)?
- How do you want to make your product known to customers and investors?



Business leadership

- What qualification does your management team have? Your leadership team?
- What personnel planning do you have?
- How do you qualify and motivate your employees?

Yearly planning and capital requirements

- What legal status was selected?
- How do you want to finance your business idea?
- On what cost and sales planning do you base your business activities?
- What is your price calculation made up of?
- When can investors see a return on their investment in the company?

5. Make notes on presenting your business idea. Consider the questions above.

6. Develop a PowerPoint presentation with the template that you have created. Practice the presentation in your team first before presenting your Student Company idea to the outside world.



Topic 8: Organising workflows: Work processes in the work of the Student Company

Didactic objective:

The students deal with organising workflows in their Student Company. They go into more detail in which order and by whom tasks need to be done. For this purpose, they create an overview which supports them creating their products or preparing the services. To achieve this, workflows are set with the help of to-do lists; deadlines as well as individuals responsible for completing individual work steps are also named. Quality control checklists are also created and agreed upon between the departments. The students discuss how to guarantee the flow of information between the departments and how it is organised and determine the working hours of the Student Company. Furthermore, they discuss whether there should be a change in the departments and, in that way, apply the principles of peer learning (for further details, see Module IO4). Changing departments allow everyone to take with them their reflections on their tasks as well as personal experiences in carrying out these activities.

Time required (Lesson including preparation and evaluation)	Main topics
Two lessons	<ul style="list-style-type: none"> ▪ Workflows in the Student Company ▪ Quality control of the products / services ▪ Flow of information in the Student Company ▪ Changing departments and reflecting on the experiences gained

Materials:

Material IO1_8_1: Workflow organization

Material IO1_8_2: Organising the work to be completed

Material IO1_8_3: Changing departments

Please refer the topic and in the materials Topic 9 “The Team: Departments and Tasks in the Student Company”

**Material IO1_8_1:****Workflow organization**

The organization of workflow regulates the sequence of the company work processes and answers the questions of how, when and why particular tasks must be completed.

First read the example below:

Mrs Barning and Mrs Siegel work as saleswomen in a boutique that has just opened. After the shop was opened, the following situations occurred in the first weeks:

1. Mrs Siegel, one of the saleswomen, had to send away willing-to-pay customers because a popular pullover, which was frequently requested in the sizes 38 to 42, was not in stock at the shop.
2. In the absence of her colleague Mrs Barning, Mrs Siegel called the supplier and ordered 30 pullovers that were not in stock.
3. Mrs Barning is very annoyed by what Mrs Siegel did without asking first. Mrs Barning searches for the delivery note, finding it in her desk. The delivery note actually states that there should be enough pullovers of the respective sizes in stock. Mrs Siegel goes to the stock room and finds a large box with the respective pullovers in the right sizes.
4. Mrs Siegel argues with her colleague Mrs Barning, claiming that only she has access to the cash till. Mrs Barning does not know anything about this. A customer present in the shop is embarrassed by the situation.
5. Mrs Barning complains that Mrs Siegel is interfering when she is selling expensive clothes to customers. Mrs Siegel believes she feels responsible for selling high-quality products successfully because this is what she used to do in her previous job.

Source: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 34 [German-language publication]

1. Name the problems in this example that have arisen with the business operations and structure.



2. How can these problems be prevented? Write up the necessary regulations.

3. Consider which working steps and preparations are necessary to prepare the product range and services of the Student Company. Note all the necessary interim steps (from ordering to selling your product or service) on separate pieces of paper and place them on the arrow in a chronological order (Figure IO1_8_1_1).

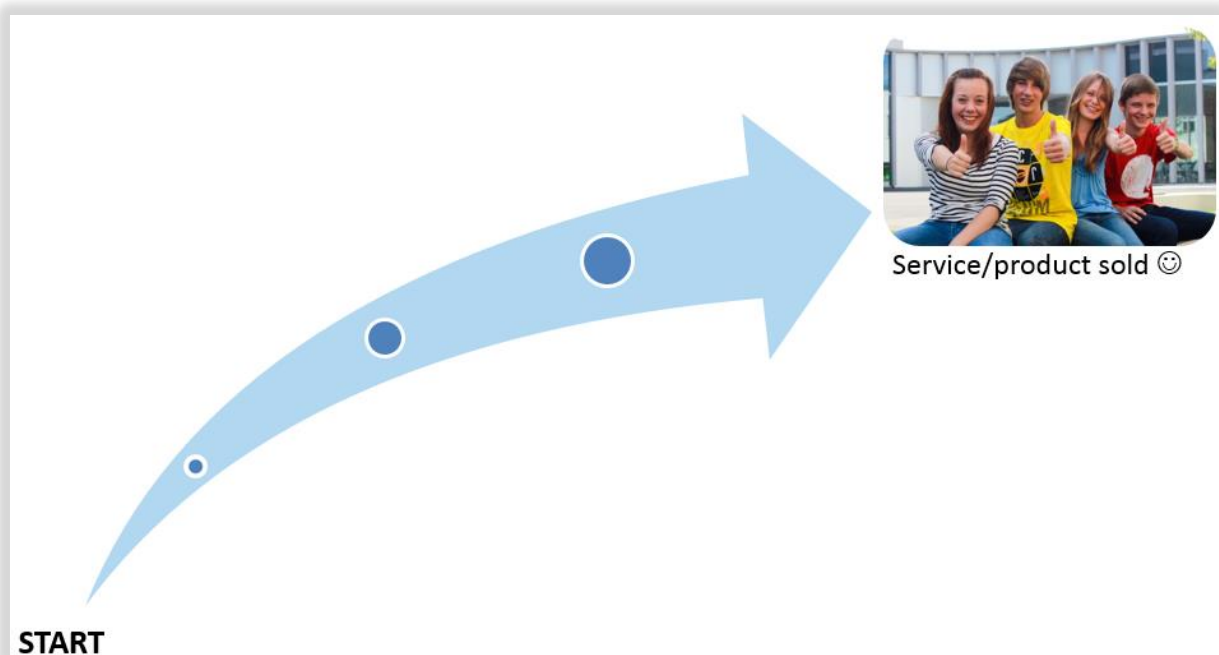


Figure IO1_8_1_1: From ordering to selling: the organization of workflow (own presentation)

**Material IO1_8_2:****Organizing the work to be completed**

In the day-to-day running the company, it is important to ensure that the department carries out the assigned tasks on time. Checklists or to-do lists can help you here, which can be done, depending on the scope, in the individual departments or for the whole Student Company.

Checklists do not only ensure for successful and organised running within your Student Company. It also serves to prepare for employee meetings during which you can report on the current state of work that needs to be completed. You also gain an overview for yourself and can update yourself, especially when you return, for instance, to work after a period of illness.

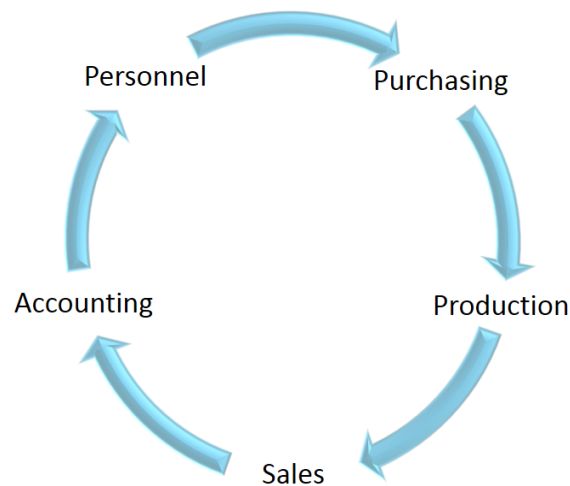


Figure IO1_8_2_1: Work to be completed in the Student Company

1. Make to-do lists for the departments. Remember to update these lists constantly. You can find a template on the following page (Table IO1_8_2_1).
2. Discuss how you would like to act if tasks are not completed on time. What rules can you introduce for such cases?
3. Decide how you will check the quality of your products or services and how will take on this task. This way, you will ensure that customers receive flawless products and remain loyal to your Student Company. Regardless of your business idea, you can create a criteria catalogue enabling you to implement quality control. An example can be found for this in Figure IO1_8_2_1.
4. Record the completed activities using a work record (Table IO1_8_2_2).



To-do list				
Department:			Date:	
Work to be completed	Description	Deadline	Status/problems	Responsible

Table IO1_8_2_1: Example of a to-do list

Source according to: Kaminski, H./Schröder, R. (2011): *Praxis Schülerfirma, Arbeitsheft*, Braunschweig: Westermann, 37 [German-language publication]



Quality Control Sheet

1. Has the product been completed on time? ☐ yes ☐ no

2. Does the product correspond with the wishes of the customers?

☐ yes ☐ no

⇒ If no, why not?

3. Does the product have certain weaknesses? ☐ yes ☐ no

⇒ If yes, which ones?

4. Other comments:

5. Can the product be improved for the future?

6. Notes

Figure IO1_8_2_2: Example of quality control sheet



Work record				
Date	Activity	ongoing (date/team member)	Completed (date/team member)	Signature (team leader)

Table IO1_8_2_2: Work record

Source according to: Kaminski, H./Schröder, R. (2011): *Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann*, 42 [German-language publication]



Planning staff meetings

Staff meetings are an important instrument to inform staff and coordinate work. They should be conducted regularly.¹²

For staff meetings to run smoothly, they must be planned well in advance. The appointment must be arranged a few days in advance of the meeting taking place. Exactly which students will present at the meeting can be clarified. You create an

agenda. Each department must communicate their points for discussion in good time, well before the appointment, so that the meeting can be structured in a way that makes sense according to content up for discussion.

Hints and tips in implementing a staff meeting:

- The meeting leaders determine the agenda at the start. In urgent cases, further points can be added. The agenda should always be on view (e.g. on a projector), so that the meeting participants are not “surprised” by any individual points.
- The minute taker, i.e. the person who write up a record of the meeting, is chosen (e.g. can rotate alphabetically according to the names of the staff).
- Afterwards, the group reports to their departments. The to-do lists can be used here.
- The staff meeting should be organised in such a way that it meets goals: no binding agreements, but determine concrete activities with the member of staff responsible and put on the to-do list.
- At the end of the staff meeting, the question of which points could not be addressed should be raised. These points belong on the agenda of the next staff meeting.
- The minutes of the meeting should be sent one week after the staff meeting, at the very latest, to all employee. The minutes of the meeting are filed.

5. What could be the agenda for your next staff meeting?

¹² Source of the text on this and the following pages: Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann, 38/39 [German-language publication]



Ideas so that it runs smoothly

- Regular meetings provide you with the space to discuss problems and challenges.
- Everyone knows best about the area in which s/he works. Speak about what you notice and ask experts for their respective opinion.
- Take time to celebrate your company successes. This motivates and gives you energy for future challenges.
- ...

Data storage and data protection

An effective storage system is not just necessary for smooth running of processes, but is required by law in regards to accounting of real companies. The following rule applies: every authorised employee must be able to access all documents very quickly. As few documents as possible should land in “private folders”.



Perhaps you have the possibility at your school to use a secure room as an office room for your Student Company. All papers and documents concerning the Student Company should be stored in this room. Members of the company should have access at any time and be able to work with them. Avoid taking home individual folders or allowing important business to disappear in your bag.

In this respect, it is important to have a structured storage space in which each company member can locate information quickly and without searching too long. This applies to both paper documents and data files. Create folders and subfolders that are named in a way so that it is clear what is inside them. Use of dividers in paper folders and directories on the computer can assume this function.

In view of the digital data storage, you must guarantee data protection and data security.

- Secure your computer with a password that only your company members know.
- Ensure that only Student Company employees have access to data files.
- Use of USB sticks to secure data by students should be limited to an absolute minimum because of the risk of viruses.
- Look for an adequate of virus protection on your computer. The virus scanner should be updated at least once per week.
- Secure your data weekly on an external hard drive which is given to a teacher for safe storage.



6. Describe the structure of your storage system for paper and digital documents.

7. What measures will you take to ensure data protection and security?

8. Have you already thought about when you would like and whether you can work for the Student Company? Will there be times when your Student Company will remain closed? When are you going to meet to discuss the processes and when will work for the Student Company when? Create a binding working plan for the week for everyone!

**Material IO1_8_3:****Changing departments**

Over the course of time, you should run through all the departments. Only that way, you can get to know all the areas of your Student Company and experience which tasks are more in tune with your interests.

It is important that a change in departments is well planned so that a change does not lead to chaos.

- New members should be introduced into the departmental tasks by means of department descriptions.
- Members should be introduced to ongoing work by means of the to-do lists.
- Not all members should change departments at the same time, but, at maximum, half the department. That way, the remaining members in the department can train the new members.

Quick familiarisation with the tasks makes it easier for you to read the respective department description, which you already know. To-do lists and short introductions into the work processes for each department ensure for a smooth transition of departments.

1. In Figure IO1_8_3_1, note down which personal experiences you gained during your work in each department after each change in department. Which task did you particularly like and which one did you not like?
2. Which strengths and abilities play a special role in your department?

3. Name three jobs which you think would play to your strengths. Then describe the same or similar tasks which you have completed in the department and which belong in every-day work.



Name of the Student Company

In the department _____

I liked these tasks and activities the most:

I didn't like the following activities:

Figure IO1_8_3_1: Changing departments and my experiences



Topic 9: The team: Departments and tasks at the Student Company

Didactic objective:

Students turn their attention to the working processes in a company, differentiating between the operational and organizational structure. They become aware of the significance of an organizational chart and develop an organizational chart based on the work involved. They reflect on the tasks that a Managing Director should assume and derive the competencies which s/he should have. Furthermore, they ask themselves whether they could assume the role of a Managing Director and reflect on the competencies of others in the team. The second step is the definition of departments and the roles of employees. Students' competencies and abilities stand in the spotlight here, too.

Time required (Lesson including preparation and evaluation)	Main topics
One lesson	<ul style="list-style-type: none"> ▪ Organizational structure ▪ Tasks of a Managing Director ▪ Selecting the management ▪ Definition of departments ▪ Employees and their roles in the departments

Materials:

Material IO1_9_1: The organizational structure

Further materials on this this can be found in Topic 8 (materials IO1_8).

**Material IO1_9_1:****The organizational structure**

Organization of processes and structures belong together and are the two sides of the coin. The organization of structure governs who does what. The organization of process, on the other hand, governs how the employees and departments work together to complete business processes.

For processes to work effectively, a good organizational structure is required.

A Student Company needs a clear structure and distribution of tasks. For this to be accomplished, the first step needs to determine which departments make up the Student Company. The tasks of each of the departments must be defined exactly in the second step; and the roles and responsibilities of the employees need to be determined. Cooperation of the different departments should be considered well in advance.

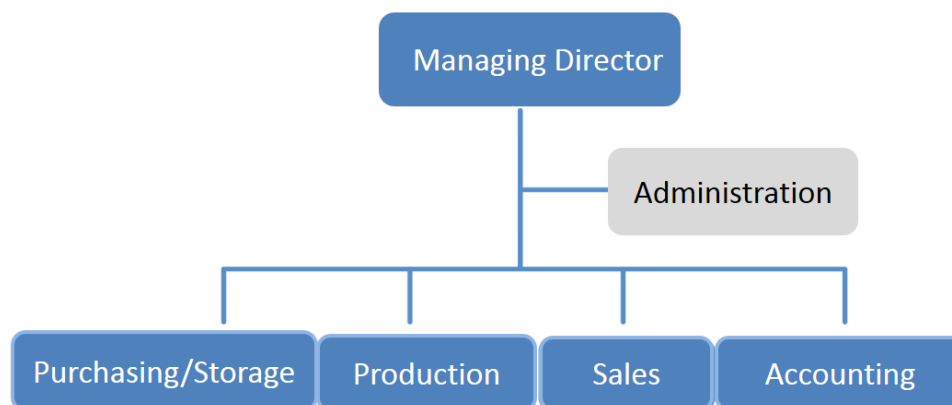


Figure IO1_9_1_1: Typical organizational chart

Decide first who is going to assume the role of Managing Director in your Student Company and who is going to be the deputy manager in the event of, for instance, an illness so that there is an acting Managing Director.

Selection of the management and definition of departments

Consider, at this point, however, that the Managing Director must take the responsibility for all important tasks and take decisions as “head” of the Student Company. At the same time, s/he bears entire responsibility for the entire Student Company. This individual takes care of the personnel and decides who does what and intermediates if conflicts occur in the team or tasks are not completed correctly or deadlines are missed. The Managing Director presents the Student Company to the outside world, too. Given these range of these responsibilities, this person must bring special qualities to the table.

1. Who will take on the Managing Directorship of the Student Company? Do you already have a candidate? Perhaps, you are the person? Think about your abilities and qualities and tick your answer to the questions in the Table IO1_9_1_1.



Question		always	frequently	rarely	never
1.	Do you like taking on responsibility?				
2.	Can you easily give tasks to others?				
3.	Are you self-confident?				
4.	Can you retain an overview in stressful situations?				
5.	Can you work well in stressful situations?				
6.	Can you motivate your workers well?				
7.	Can you motivate yourself well?				
8.	Can you organise and plan well?				
9.	Can you recognise cause and effect relationship independently?				
10.	Can you analyse situations so that things occur to you that would not occur to others?				
11.	Do you find it easy to use unexpected situations to your advantage?				
12.	Do you adapt to new situations easily?				
13.	Can you cope well with conflict?				
14.	Can you take on the role of an intermediary when conflicts arise?				
15.	Are you decisive?				
16.	Can you react quickly in surprising situations?				
17.	Are you reliable?				
18.	Is success important for you?				
19.	Can you do many things at the same time?				
20.	Can you convince?				
21.	Do you pursue consistent goals which you have set yourself?				
22.	Are you communicative?				
23.	Can you express criticism confidently and with tact?				
24.	Do you believe in your business idea and are you motivated to represent this idea to the outside world?				

Table IO1_9_1_1: Qualities of a Managing Director



2. Afterwards, discuss in the group the person who has the best qualities for the role of Managing Director (e.g. who has crossed the most “yes” answers). Do your own qualities matches what others think? What might be the reasons for different assessments of each other’s qualities?

Think that:

The selection criteria to lead the Student Company is **competence** and **acceptance**!

3. Write down who you have selected to be the Managing Director of the Student Company:

4. You have selected your Managing Director. But what departments are necessary in your Student Company and how can you best define them?

Name all the important tasks that need to be done in your Student Company until your product or your service can be brought to the customer. Write these tasks individually on cards and pin them to the wall. Can you recognize which tasks will keep coming up time and time again in your Student Company? Which tasks can be grouped in one department? What then would this department be called?

What organizational chart results from this and can be set for your Student Company? You can write the results of your considerations in the field below.

Diagram IO1_9_1_2: The organizational chart of our Student Company

5. Think about whether all the tasks for each individual department have been mentioned and add those which are missing.



Employees in the departments

6. The departments must be filled with employees who understand who is responsible for the individual tasks. Consider who in the team can do what task best, what skills and abilities are necessary for completing the individual tasks and who would like to take on which responsibilities. Distribute the departments to the employees and add the names of the employees to the organizational chart.
7. Do you need the support of other students in your team who are involved in the work of the Student Company and possess certain competencies and abilities? If so, which competencies must they bring to the table and how could you win over these students to work for the Student Company?
8. You can work all the information collected up to now into Table IO1_9_1_2. This should be updated over the course of time and used to present the activities of your Student Company, e.g. to external people or to train new team members.

Department: _____	
Members	
Tasks and goals	
Processes to be carried out together with other departments	

Table IO1_9_1_2: Template for department description



The Phase Planning: Topics in lessons

Phase planning, a lesson on Topic 1: Setting up a Company. An introduction into the work of a Student Company

Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Student Company vs. Company	<ul style="list-style-type: none"> The teacher (T) explains the project of setting up a Student Company to the students (Ss). T describes the differences between student companies and companies, which exist outside of the context of school, naming similarities and differences. 	<ul style="list-style-type: none"> Material IO1_1_1_Lehrkraft: What is a Student Company?
	Motives in setting up a company	<ul style="list-style-type: none"> Together with T, the Ss work out motives why companies are set up. T notes these on the white/blackboard and organised the motives named into two columns: 1. Voluntary set-up and 2. Set-up out of hardship. T distributes Material IO1_1_3 in which the Ss record the motives of setting up companies. T introduces the headings “push and pull factors” and makes self-employment as an option of career development a matter of discussion. 	<ul style="list-style-type: none"> Material IO1_1_2_Lehrkraft: Motives in setting up a company; information transfer onto black/whiteboard Methods: Led discussion Creating an image on the black/whiteboard Material IO1_1_3: Why are companies set up?
Processing	Qualities of entrepreneurs	<ul style="list-style-type: none"> T displays the slide with the examples of famous entrepreneurs: Which ones are known to the Ss? T asks whether they know other entrepreneurs, e.g. from their immediate surroundings. T moves on to the qualities which are characteristic for most entrepreneurs. 	<ul style="list-style-type: none"> Material IO1_1_5_Lehrkraft: What are the qualities of successful entrepreneurs?



Phase	Contents	Approach	Materials, methods, implementation strategies
		<ul style="list-style-type: none"> T work out the qualities of an entrepreneur with the Ss. The exact qualities are collected and transferred to the board and placed in the context of the complex internal and external business tasks which a company must tackle. 	
Reflection	<p>Motives for the work of the Student Company</p> <p>My strengths and weaknesses</p>	<ul style="list-style-type: none"> T moves over on the topic of the Student Company and asks the Ss to explain their motives for participating in the work of the Student Company. Which topics interest them the most about this project? T explains that that participation in the project does not about gaining knowledge about companies, but also opens possibilities to strengthen a range of competencies and to have a go at other new areas. Each participant should, however, contribute something. Therefore, it is important to consider own strengths and weaknesses. T distributes the worksheet (Material IO1_1_6) on which the Ss work. 	<ul style="list-style-type: none"> Material IO1_1_6: My strengths and weaknesses
Summary		<ul style="list-style-type: none"> T collects the Ss' experiences, leading on to the different competencies which are needed in the context of setting up a Student Company and presents further course of action. 	



Phase planning, three lessons for Topic 2: Developing a business idea and business plan

Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Business ideas	<ul style="list-style-type: none"> What business ideas and companies do the students (Ss) know? To start, the teacher (T) presents the slide from Material IO1_2_1, asking what the business ideas of the named companies are. What companies and business ideas exist in the Ss' immediate surroundings? T indicates that bakeries, kiosks, care services, banks or property and insurance companies, etc. are based on a business ideas. The aim is to present a diverse range of business ideas, ideally from the Ss' immediate surroundings. T summarises them with keywords and transfers them on the white/blackboard. 	<ul style="list-style-type: none"> Material IO1_2_1_Lehrkraft: Successful entrepreneurs and their business ideas
	Production companies and service companies	<ul style="list-style-type: none"> Services or production? T explains that there is a fundamental difference between companies that producing products and companies that offer services and makes this clear using Material IO1_2_1 as well as the regional companies named by the Ss. T distributes Material IO1_2_2 and asks the Ss to complete the worksheet (5 mins). The Ss consider regional companies, if possible. 	<ul style="list-style-type: none"> Black/whiteboard Material IO1_2_2: Services or products?
		<ul style="list-style-type: none"> T asks Ss for reasons why their chosen companies are successful and the T notes down the factors mentioned by the Ss on the board. Competition and general conditions are discussed. A quote from Viktor Hugo can be discussed for this purpose: <i>"Nothing else in the world is more powerful than an idea whose time has come"</i>. Considerations can also be made on how a business can rise above the competition and use knowledge about the customers in a targeted way. 	<ul style="list-style-type: none"> Material IO1_2_3_Lehrkraft: Factors of success for companies
Working on business ideas	Push and pull strategy	<ul style="list-style-type: none"> How do you generate a successful business idea? T presents possible courses of action (push and pull strategy) (Material IO1_2_4). Which business idea do the Ss want to implement for their Student Company? 	<ul style="list-style-type: none"> Material IO1_2_4_Lehrkraft: Developing a business idea for the Student Company



Phase	Contents	Approach	Materials, methods, implementation strategies
Implementation	SWOT analysis	<p>Developing own business ideas follows. T distributes Material IO1_2_6, asking Ss to read the introductory text. The Ss work on suggestions and collect them. T stimulates the Ss' work by targeted questions and by presenting a broad range of business ideas (Material IO1_2_4 as well as Material IO1_2_5)</p> <ul style="list-style-type: none"> ▪ T introduces the topic of the SWOT analysis, explaining the term: S=Strengths, W=Weaknesses, O=Opportunities and T=Threats ▪ T describes that the creation of the SWOT analysis can 1.) simplify the analysis of the strengths and weaknesses of the business idea; 2.) minimize risks; and 3) reveal the current situation from which simple strategies ("actions") of the Student Company can be derived. ▪ T presents Material IO1_2_7 to the Ss. The Ss read the introductory text and work out in their groups the strengths and weaknesses of the business idea as well as risks and chances, discussing them in the plenary. From this discussion, possible strategies dealing with chances and risks are deduced and reflected upon. 	<ul style="list-style-type: none"> ▪ Material IO1_2_5_Lehrkraft: Examples of business ideas of existing Student Companies ▪ Material IO1_2_6: Our business idea ▪ Material IO1_2_7: Strengths and weaknesses of our business idea: the SWOT analysis
Outlook	The business plan	<ul style="list-style-type: none"> ▪ The Ss find out that all the following information on finances (chapter 2), the market (chapter 3), working processes (chapter 4) as well as the team (chapter 5) flow into the business plan. Using Materials IO1_2_8, T explains the importance of a business plan in setting up the company. It represents further course of action and indicates that drawing up the business plan occurs after completing all the topics of this module. 	<ul style="list-style-type: none"> ▪ Material IO1_2_8: Creating a business plan



Phase planning, one lesson for Topic 3: Name and logo of the Student Company

Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Name and logo	<ul style="list-style-type: none"> The teacher (T) introduces the topic by asking the students (Ss) for the meaning of the company name and logo (graphically designed sign) for the customers and what role does it fulfil (recognition, advertising, products, special campaigns, customer loyalty, etc.). 	
Deepening	Developing a name for the Student Company	<ul style="list-style-type: none"> To stimulate the Ss' creativity to find a name, an ABC list can be created. For this purpose, the topic "Our Student Company" can be written on the board, after which the alphabet can be listed vertically down the board. To the right of the letters, there should be enough room to note down words. The Ss do the same on a sheet of paper for themselves. Within 2-3 minutes, they should note keywords below each letter which occur to them about their Student Company. The Ss say their key words and the T puts them on the board in alphabetical order. T distributes the Material IO1_3_1 and asks the Ss to read the introduction text and then each student is to come up with names for the Student Company (recommended as homework!). T collects the results of the work and supports the Ss in choosing the name. 	<ul style="list-style-type: none"> Material IO1_3_1: What do we call our Student Company?
	Meaning of logos	<ul style="list-style-type: none"> T distributes Material IO1_3_2, introducing the Ss into the topic of the logo using the examples provided and the overview of the types of logos. T asks the Ss for their own suggestions for the logo (recommended as homework!). 	<ul style="list-style-type: none"> Material IO1_3_2: The logo of the Student Company
	Developing logos	<ul style="list-style-type: none"> The Ss present their suggestions in the plenary. These can be placed on a flipchart. The Ss judge them for their originality, graphical simplicity, association with the business idea and then agree upon a logo. 	
Summary		<ul style="list-style-type: none"> Presentation of the Student Company name and logo 	



Phase planning, one lesson on Topic 4: Legal status of the Student Company

Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Legal forms	<ul style="list-style-type: none"> T introduces the topic by asking what company designation is often given alongside the name and logo. T asks which legal status are known to the students (Ss) and puts the contributions on the board. 	<ul style="list-style-type: none"> Material IO1_4_1: Legal status – the company structure to the outside world
Deepening	Meaning of legal statuses	<ul style="list-style-type: none"> What information does the legal status give about the company? On what does the choice of the legal status depend and how does the legal status influence how the company is organised? T presents the topic, asking the Ss to read the introductory text in Material IO1_4_1 about it. For homework, the Ss should research further information of the legal statuses listed in Material IO1_4_1. When researching, Ss should pay attention to the key words listed in Figure IO1_4_1_1. In the subsequent lesson, the research results are evaluated and discussed. 	
Reflection	Determining the legal form for the Student Company	<ul style="list-style-type: none"> Ss discuss which legal status they have chosen for their Student Company, justifying their choice. Ss discuss with the teacher what sort of influence the decision has on the way that the Student Company is organised. 	



Phase Planning, three lessons on Topic 5: Looking at Finances: Expenditure, pricing - Creating a financial plan and securing starting capital

Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Costs of production	<ul style="list-style-type: none"> The teacher (T) explains the importance of a financial plan for the Student Company and goes on to explain that a financial plan should detail expenditure, costs, price calculation and the amounts as well as the acquiring starting capital. In the first step, students (Ss) deal with expenditure which need to be made for the Student Company. The T uses Material IO1_5_1 for this purpose. Using this material, the Ss create an overview of necessary expenditure. 	<ul style="list-style-type: none"> Material IO1_5_1: Fixed and variable costs: necessary expenditure and financial planning
Deepening understanding	Fixed and variable costs	<ul style="list-style-type: none"> The second step goes into costs which arise when producing the products or preparing the services. The T shows the Ss the differences between fixed and variable costs, indicating the relationship between costs which must be covered and the prices (the Student Company has, at least, to cover its costs). 	
Working out		<ul style="list-style-type: none"> The Ss go through the checklist of fixed costs in Material IO1_5_1, marking costs relevant to them and enter these costs into Table IO1_5_1_2. The Ss calculate which variable costs arise when producing the product or preparing a service, recording them in Table IO1_5_1_3. In support of this task, the calculation of fixed and variable costs of a fictitious Student Company is given in Figure IO1_5_1_2, which can be analysed by the Ss. 	
Introduction	Price calculation Willingness of the customers to pay	<ul style="list-style-type: none"> The T can open the topic with a discussion, naming two products (e.g. the popular MP3 player and price of clothing or bread) and ask how many Ss would be willing to pay for each of these products, whereby willingness to pay would depend and what must be included in the calculation of the price (from the perspective of the provider). During the discussion, T pays 	Discussion



Phase	Contents	Approach	Materials, methods, implementation strategies
Working out	Lower price limit	<p>special attention to considerations from the perspective of the supplier and the buyers (i.e. the competitor's prices for the same or similar products as well as production costs and profit).</p> <ul style="list-style-type: none"> ▪ Ss calculate the lower price limit for their product using the formula in Material IO1_5_2. ▪ T indicates that customers' willingness to pay must be considered when setting prices. For this purpose, the Ss agree on how they are going to find out whether the customers would pay for their product or service (examples in the material). The task can be done best as homework. In the lesson that follows, Ss' results are collected and the prices for the products are determined. 	<ul style="list-style-type: none"> ▪ Material IO1_5_2: Setting prices
Summary	Setting prices		
Introduction	Financial plan	<ul style="list-style-type: none"> ▪ T introduces the topic Financial Planning, which is a central element of a founding business concept alongside the business idea itself. The Ss find out that creating a financial plan plays a main role in acquiring starting capital. 	<ul style="list-style-type: none"> ▪ Material IO1_5_3: Financial plan and starting capital
Working out	Equity and borrowed capital	<ul style="list-style-type: none"> ▪ T supports the Ss in creating the financial plan and discuss different possibilities of securing capital (equity and borrowed capital), considering advantages and disadvantages. For this purpose, the Ss read the introductory texts in Material IO1_5_3. 	
Summary	Starting capital: amount and possibilities of acquisition	<ul style="list-style-type: none"> ▪ Ss consider how to acquire starting capital; questions with hints and tips for this (a. to g.) in Material IO1_5_3 can provide suggestions. ▪ Ss generate a plan to acquire starting capital and determine the individual working steps, deadlines as well as the individuals responsible for implementation, recording this in Table IO1_5_3_2. 	



Phase planning, three to four lessons on Topic 6: Our market and the customers - Market and customer analysis

Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Market, market analysis	<ul style="list-style-type: none"> The students (Ss) find out from Material IO1_6_1 why it is very important for every company to know the market and to prepare for an analysis of the market on which the Student Company acts. Ss first count the sources of information from which information can be gained about the market, then noting them down. In the next step, they work on Exercise 2, collecting and bundle information on their competitors, market size, target group and market development, and then presenting this information accordingly. It is recommended to divide up into four groups. Each group receives a research task and presents the results to the other groups. These are summarised in Exercise 2. 	<ul style="list-style-type: none"> Material IO1_6_1: Market analysis <p>Group work</p>
Deepening understanding			
Summary			
Introduction	Customers, customer analysis	<ul style="list-style-type: none"> The Ss read the text about customers and, together with the teacher (T), work out the most important motives for conducting a customer survey. T writes them up on the board. Ss collect and evaluate all the information on existing customers and formulates what other information they would also need. T writes up keywords on the board. T stimulates a discussion on the methods available to gain information from and about customers. Ss work on questions to customers from whom they can gain the information required. Ss consider the choice of methods for getting information and plan their course of action. Ss carry out their plan, evaluating the results of the survey and describe how they are going to integrate this information into the work of the Student Company. 	<ul style="list-style-type: none"> Material IO1_6_2: Our customers <p>Black/whiteboard</p>
Working out			
Summary			



Phase planning, three to four lesson on Topic 7: Marketing: Presenting us to the outside world

Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Marketing	<ul style="list-style-type: none"> ▪ The teacher (T) introduces the topic of marketing by asking the students (Ss) how they want to draw attention to their products. The Ss solve the task 1 (5 mins). The Ss give their suggestions; the T writes them up on the board. The Ss add to their notes in Exercise 1. 	<ul style="list-style-type: none"> ▪ Material IO1_7_1: Presenting us to the outside world
	Advertising	<ul style="list-style-type: none"> ▪ T asks Ss what function should advertising fulfil, writing up the answers on the board. T asks the Ss to read the text about advertising (5 mins). ▪ T asks whether the Ss recognise the AIDA formula in advertising and collects examples. 	
Working out	Marketing concept	<ul style="list-style-type: none"> ▪ T moves on to the Student Company, asking the Ss to look at the table beneath task 3. Which of the means of advertising among the ones provided can be used for the Student Company? ▪ Ss work on a marketing concept for the Student Company: T splits the Ss into four groups. Each group works on a task from a different marketing area (product design, pricing policy, policy on communication, policy on distribution). 	
Reflection	Marketing campaigns in the Student Company	<ul style="list-style-type: none"> ▪ The groups present the results of their work in the forum and discuss implementation. Each group draws up a list of proposed campaigns which could be implemented. The suggestions are incorporated into the marketing concept of the Student Company. 	



Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Advertising slogans	<ul style="list-style-type: none"> T asks Ss to name advertising slogans they know, after which Figure IO1_7_2_1 is discussed. Which products/services are advertised with these slogans? Can the Ss recognise them? 	<ul style="list-style-type: none"> Material IO1_7_2: Advertising slogans Material IO1_7_3: Presenting the Student Company to the outside world Material IO1_7_4: Presenting the business idea
Working out	Presentation of the Student Company to the outside world	<ul style="list-style-type: none"> Ss read the text on the advertising slogan (Material IO1_7_2) and discuss whether they would like to develop an advertising slogan for their Student Company. T discusses the professional image of the company and firms with the Ss, addressing the importance of a consistent and uniform image of the company to the outside world (recognition value, potential customers memorizing the names, advertising, etc.). T asks Ss what makes a consistent and uniform image, moving the conversation towards PowerPoint presentations and business letters. Ss read the text in Material IO1_7_3 on PowerPoint presentations and develop a design for a PowerPoint template for their Student Company. Ss read hints and tips on creating business letters and afterwards discuss whether they would like to develop an internet site for the Student Company. 	
Reflection	Summary of the campaigns	<ul style="list-style-type: none"> Recording further ideas of the Ss for marketing the Student Company follow. As an optional extra, a PowerPoint presentations can be developed at this point, presenting the business concept of the Student Company. The Ss can use this presentation for meetings with investors, the school leadership or presenting the Student Company in other contexts. This exercise demand more time and should be done as homework. 	



Phase planning, two lessons on Topic 8: Organizing workflows: Work processes in the work of the Student Company

Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Tasks in the Student Company	<ul style="list-style-type: none"> ▪ The students (Ss) read the introductory text in Material IO1_8_1 and analyse the reasons for the misunderstandings. They write them down and develop suggestions to clearly define the workflows and individuals responsible. ▪ The Ss define the tasks which must be completed so that their product or service can be sold. They write them down chronologically and transfer them to the timeline (task 3). 	<ul style="list-style-type: none"> ▪ Material IO1_8_1: Workflow organization
Working out (I)	<p>To-do lists and departments</p> <p>Ensuring flow of information</p>	<ul style="list-style-type: none"> ▪ Ss assign the tasks to the departments and create to-do lists for every department. Table IO1_8_2_1 can be used as an example for this. ▪ Ss discuss how the quality of their products or the completion of individual tasks can be checked. Using the example in Figure IO1_8_2_2, Ss develop a form for quality control or adapt the example to their needs. ▪ Ss develop a work record in which individual steps and deadlines are recorded. The individuals responsible for these tasks certify the completion of the tasks with their signature. ▪ Ss decide in the team how the flow of information is ensured, addressing how data storage is going to be organised and when/how often staff meetings take place. ▪ Ss create a work schedule in which work times of the team are fixed and organised. ▪ Ss decide where the work schedules are placed and who is responsible for updating them. 	<ul style="list-style-type: none"> ▪ Material IO1_8_2: Organizing the work to be completed



Phase	Contents	Approach	Materials, methods, implementation strategies
Working out (II)	Changing departments	<ul style="list-style-type: none"> ▪ The teacher (T) addresses why a change in departments is sensible and motivates the Ss so that a student changes the department in regular intervals. That way, s/he can get to know the tasks from another department and get to try out new tasks. Ss who get to train him/her for the new tasks have, in turn, the possibility to try out the role of expert. ▪ Ss address how often a change in the department takes place and how it is organised. Ss read the introduction text in Material IO1_8_3 on this. ▪ After every change of department, the student who worked in a department completely new to him/her reflects on his/her experiences, connecting them to the world of work (Exercises 1-3). 	<ul style="list-style-type: none"> ▪ Material IO1_8_3: Changing departments
Reflection	Recording experiences gained	<ul style="list-style-type: none"> ▪ These experiences are presented in a team meeting and the student receives feedback on how s/he completed the tasks. 	



Phase planning, one lesson on Topic 9: The team: Departments and tasks of the Student Company

Phase	Contents	Approach	Materials, methods, implementation strategies
Introduction	Organizational structure	<ul style="list-style-type: none"> The teacher (T) explains the difference between the Organization of process and structure, explaining the function of an organizational chart in companies. T presents the typical organizational chart of a company, headed up by Managing Director, and generally consists of the following departments: sales, production, marketing, purchase/inventory and stock as well as accounting. 	Presentation
Deepening understanding	Management	<ul style="list-style-type: none"> T asks the students (Ss) to come up with the tasks and competencies of a Managing Director, writing them down on the board. For this purpose, the T can draw on the list of qualities from Material IO1_1_5_Lehrkraft. 	Black/whiteboard
Working out	Creating an organizational chart	<ul style="list-style-type: none"> Ss decide who could function as the Managing Director of the Student Company, reflecting on their own qualities using Table IO1_9_1_1 in task 1 (Material IO1_9_1). How has the most “yes” answers? Do the students’ own assessment overlap with those of others? Who will take on the role of Managing Director? Ss consider which jobs will need to be done in the Student Company and collect them on the pin board. In the second step, they group them together and place them in the departments into which the Student Company has been structured. Finally, they create an organizational chart for the Student Company, defining the tasks and goals of the departments. At this point, tasks should be highlighted which must be conducted in close cooperation with other departments within the Student Company. 	<ul style="list-style-type: none"> Material IO1_9_1: The organizational structure



Bibliography

- Kaiser, F.-J./Kaminski, H. (2012): Methodik des Ökonomieunterrichts. Grundlagen eines handlungsorientierten Lernkonzepts mit Beispielen, unter Mitarbeit von V. Brettschneider, K. Eggert, M. Koch und R. Schröder, 4., vollst. überarb. Aufl., Bad Heilbrunn: Klinkhardt UTB [German-language publication]
- Kaminski, H./Bieda, I./Stefaniak, A./Hołysz, R./Michalska-Majerska, M. (2013): Ekonomia w praktyce – Metody aktywizujące w nauczaniu przedsiębiorczości i ekonomii, Przewodnik metodyczny, Szkoły ponadgimnazjalne (dt: Wirtschaft in der Praxis – Handlungsorientierte Methoden im Wirtschaftsunterricht, Lehrerhandreichung, Sekundarstufe II), hg. v. Institut für Ökonomische Bildung (IÖB), Poznań/Polen: Sorus
- Kaminski, H./Hübner, M./Reuter-Kaminski, O./Windels, G. (2006): Praxis, Betriebs- und Praxistage, Lehrerband, Braunschweig: Westermann [German-language publication]
- Kaminski, H./Schröder, R. (2011): Praxis Schülerfirma, Arbeitsheft, Braunschweig: Westermann [German-language publication]
- Kirchner, V./Loerwald, D. (2014): Entrepreneurship Education in der ökonomischen Bildung. Eine fachdidaktische Konzeption für den Wirtschaftsunterricht, Hamburg: Joachim Herz Stiftung Verlag [German-language publication]

Picture sources

Beiersdorf AG, Hamburg: 30

fotolia.com: Titelfoto + 76 (Klickerminth), 8 (Aaabbcc), 23 (Robert Kneschke), 23 + 69 (Trueeffelpix), 44 (WavebreakmediaMicro), 82 (DrBest)

iStockphoto.com: 52 (Alex Slobodkin), 81 (Miodrag Gajic)

Start it Smart, Bulgaria: 10, 14, 55

All remaining graphics: Institute for Economic Education

Contact:

Institut für Ökonomische Bildung (IÖB)
gemeinnützige GmbH

Institute for Economic Education [non-profit limited company]
Bismarckstraße 31
26122 Oldenburg
Germany
www.ioeb.de/en