

Standard 4: Students will explore entrepreneurial options in the fashion and interior design industry.

Objective 1: Students will explore the steps of establishing a business plan

Objective 2: Analyze how to price a product to sale. (material costs, labor costs, overhead costs)

Objective 3: Students will be able to explain the basics of the 4Ps of marketing (product, place, price, promotion)

Objective 4: Understand the basics for using credit for business financing (interest rate, personal guarantee, loan term, ability to repay)

These lessons are designed to take 30 minutes of a 90 minute class period. Then students have the remaining time to sew their accessory item and work on the assignments like the hang tag, advertising slogan, etc.

Day 2

Review the Business Plan steps with students. Have them read pg 16 How to Write a Business Plan in the [SBA Resource](#)

Define the following [terms](#) in Smash Book:

Material Costs: the amount of money you spend on raw materials needed to create a product.

Labor Costs: the number of hours required to make your product and the hourly rate associated those hours.

Overhead Costs: any further expenses required for the operation of your business.

Activity:

1. [Why do I want to sell my product?](#)
2. [Where can people find my product?](#)

Have students complete the #2 and #3 questionnaire.

Activity: Students collect information about the following terms that apply to their accessory challenge.

Activity: Students work on creating/sewing their accessory

Day 3

Introduce the first two 4 P's of marketing (insert for SB)

1. Product (package)—Hang tag
2. Place (where to sell)

<http://www.learnmarketing.net/marketingmix.htm> (January 29, 2015)

Product

As the product is the item being sold to the customer, the thing that will bring in money, its features and design need careful consideration. Whether the firm is manufacturing the product or purchasing the product for resale, they need to determine what product features will appeal to their target market. When an organization is considering introducing a product into a market, they should ask themselves the following questions:

1. Who is the product aimed at?
2. What benefit will customers expect from it?
3. What will be its advantage over competitor products? Or its unique selling point?
4. How does the firm plan to [Position](#) the product within the market? (high quality, low quality, low price, high price)

The answers to these questions will help a firm design, package and add value to its products. To learn more about product strategies within the marketing mix click on the following link: [Marketing Mix and Product strategies](#)

Place

The Place element of the marketing place is about where the product is made, where is it stored and how is it transported to the customer. The place for each of these things should ensure that the product gets to the right place at the right time without damage or loss. The ideal place will be

Convenient for the customer and the business

Accessible for the customer if it is the place where the product is sold

Low cost or free for the customer if it is the place where the product is sold

Reasonable cost to the business

The following link provides further information on place: [Marketing Mix and Place Strategies](#)

Activity:

Discuss all the places one could sell your accessory item. (*Brick and Mortar, online shops, boutiques and consignment shops, etc.*)

Activity:

3. [What am I selling?](#)
4. [Who will buy my product?](#)

Have students complete the #3 and #4 questionnaire.

Activity:

Create a Hang Tag for your product. Look at examples of hangtags in the market.

<http://inspirationfeed.com/inspiration/print-inspiration/designing-a-hang-tag-words-of-advice-and-inspiration-before-you-start/>

Day 4

5. When do people use my product?
6. Why should someone use my product?

Have students complete the #5 and #6 questionnaire.

Introduce the last 4 P's of marketing

3. Price (material, labor, & overhead costs)
4. Promotion (advertisement)

<http://www.learnmarketing.net/marketingmix.htm> (January 29, 2015)

Price

There are lots of different pricing strategies but every strategy must cover at least your costs unless the price is being used to attract customers to the business (loss leader pricing). A product is only worth as much as people are prepared to pay for it. The amount your [target market](#) are prepared to pay for your products/services depends on product features and the target market's budget. You will also need to consider [competitor pricing](#) and factors within your [marketing environment](#). Effective pricing involves balancing several factors, to find out more about pricing including example pricing strategies click [here](#).

Promotion

A successful product or service means nothing unless the benefit of such a service can be communicated clearly to the target market. Promotion is any activity to raise awareness of a product or to encourage customers to purchase a product. Advertising is a form of promotion but not all promotions are advertisements.

Promotional activities for consumer sales will be different to promotional activities for business to business sales. The following things will influence how a firm chooses to promote its product:

- Promotional campaign purpose
- The budget for the promotional campaign
- Legal rules about what you can promote and how
- The target market for the product
- The marketing environment in which the firm operates

Review the terms, material, labor and overhead costs, share with class the information you have gathered from day 2.

Create an advertising slogan for your accessory item.

Day 5

7. How do I distinguish my product from the competition?
8. How do I successfully reach my target customers?

Have students complete the #7 and #8 questionnaire.

Allow students time to work on the laptops for these questionnaires. They are going to have to do some research on their competition.

Day 6

Objective 4: Understand the basics for using credit for business financing. (Interest rate, personal guarantee, loan term, ability to repay)

Read pages 17-29-and33-35 in the SBA online resource, about financing. Talk about the terms in the objective.

<https://wellsfargoworks.com/grow/applying-for-sba-loan>

<https://wellsfargoworks.com/Start>

Guest Speaker for 30 minutes on Financing for a Business

Day 7

Final Work Day to Finish Details on Accessory, Hang Tag, Advertising Slogan, Cost/Price Analysis

Day 8

Present Product to class.

See [accessory challenge presentation sheet](#)