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ABSTRACT

This is the twenty-first in a set of 36 teacher guides to the Entrepreneurial Training modules and accompanies CE 031 070. The purpose of this module is to give students some idea of what it is like to own and operate a word processing service. Following an overview are general notes on use of the module. Suggested steps for module use contain suggestions on introducing the module, a brief discussion of the nine units; responses to learning activities, suggestions for summarizing the module, and responses to the quiz. The units are Planning a Word Processing Service; Choosing a Location; Getting Money to Start; Being in Charge; Organizing the Work; Setting Prices; Advertising and Selling; Keeping Financial Records; and Keeping Your Business Successful. Each unit contains a case study; responses to individual activities; responses to discussion questions; and a group activity. Suggested readings for the teacher and a list of goals and objectives complete the module.
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GETTING DOWN TO BUSINESS:

Word Processing Service

Module 21

Teacher Guide

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GETTING DOWN TO BUSINESS:

Word Processing Service

Norma Shapiro

May 1981

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OVERVIEW

The purpose of these Getting Down to Business modules is to provide high school students in vocational classes with an introduction to the career option of small business ownership and to the management skills necessary for successful operation of a small business. Developed under contract to the Office of Vocational and Adult Education, U.S. Department of Education, the materials are designed to acquaint a variety of vocational students with entrepreneurship opportunities and to help reduce the high failure rate of small businesses.

As the students become familiar with the rewards and demands of small business ownership, they will be able to make more informed decisions regarding their own interest in this career possibility. It is hoped that, as a result of using these materials, some students will enter small business ownership more prepared for its challenges. Others will decide that entrepreneurship is not well suited to their abilities and interests, and they will pursue other career paths. Both decisions are valid. The materials will encourage students to choose what is best for them.

These Getting Down to Business modules are designed to be inserted into ongoing high school vocational programs in the seven vocational disciplines--Agriculture, Distributive Education, Occupational Home Economics, Business and Office, Trades and Industry, Technical, and Health. They will serve as a brief supplement to the technical instruction of vocational courses, which prepare students well for being competent employees but which generally do not equip them with skills related to small business ownership. The modules are self-contained and require a minimum of outside training and preparation on the part of instructors. Needed outside resources include only those types of materials available to all students, such as telephone directories, newspapers, and city maps. No special texts or reference materials are required. For further optional reading by instructors, additional references are listed at the end of the Teacher Guide. An annotated Resource Guide describing especially valuable entrepreneurship-related materials is also available.

The purpose of this module is to give students some idea of what it is like to own and operate a word processing service. Students will have an opportunity to make the same decisions that the owner of a word processing service makes. While the module is not a complete "how-to" manual, the individual lessons will provide your class with the chance to do many of the planning and daily activities that small business owners do.

Today, owners of small businesses face a multitude of problems--some minor, some that threaten their very existence. These problems reflect the constant changes that our society is going through--economic, cultural, and technical. While this module cannot hope to address itself to all of them, the discussion questions at the end of each unit are designed to give your class the opportunity to discuss them and develop, on a hypothetical basis, solutions for themselves.

You may want to present this module after completing Module 1, Getting Down to Business: What's It all About? Module 1 is a 16-hour program covering a more in-depth approach to owning any small business. The terms introduced in Module 1 are used in this module with a restatement of their definitions. Also, the forms used are the same, with some minor changes to fit a word processing service specifically. Module 1 provides an introduction to owning a small business in addition to some skills and activities that, due to their general nature, are not covered in this module.

Content Organization

Each unit of the module contains the following:

1. Divider Page--a page listing the unit's goal and objectives.
2. Case Study--an account of a word processing service owner for a more intimate view of owning a word processing service.
3. Text--three to four pages outlining business management principles introduced in the case study.
4. Learning Activities--three separate sections, including:
 - a. Individual Activities--finding information given in the text or applying information to new situations.
 - b. Discussion Questions--considering broad issues introduced in the text; several different points of view may be justifiable.
 - c. Group Activity--taking part in a more creative and action-oriented activity; some activities may focus on values clarification.

General Notes on Use of the Module

Instructional Time: Each unit = 1 class period; total class periods = 9
Introduction, quiz, summary 1
Total instructional time = 10 class periods

The case study and text are central to the program's content and are based on the instructional objectives appearing in the last section of this Guide. Learning activities are also linked to these objectives. You will probably not have time, however, to introduce all the learning activities in each unit. Instead, you will want to select those that appear most related to course objectives, are most interesting to and appropriate for your students, and are best suited to your particular classroom setting. Certain learning activities may require extra classroom time and may be used as supplementary activities if desired.

Before presenting the module to the class, you should review both the Student and Teacher Guides and formulate your own personal instructional approach. Depending on the nature of your classroom setting and the students' abilities, you may want to present the case study and text by instructional means that do not rely on students' reading--for example, through a lecture/question-answer format. Case studies and certain learning activities may be presented as skits or role-playing situations.

No particular section of the module is designated as homework, but you may wish to assign certain portions of the module to be completed out of class. You may want students to read the case study and text in preparation for discussion in the next class period, or you may want them to review the material at home after the class discussion. You may also prefer that students read the material in class. Similarly, individual activities may be completed in class or for homework. Discussion questions and group activities are specially intended for classroom use, although some outside preparation by students may also be needed (for example, in the case of visiting a small business and interviewing the owner).

Methods that enhance student interest in the material and that emphasize student participation should be used as much as possible. Do not seek to cover material exhaustively, but view the course as a brief introduction to entrepreneurship skills. Assume that students will obtain more job training and business experience before launching an entrepreneurial career.

The quiz may be used as a formal evaluation of student learning or as a self-assessment tool for students. Answers to learning activities and the quiz are provided in a later section of this guide.

SUGGESTED STEPS FOR MODULE USE

Introduction (10-15 minutes)

- I. In introducing this module you will probably want to find out what students already know about word processing services.
 - Ask what word processing services they know about.
 - Ask if they know about any small word processing services.
 - Ask them what they think the advantages of owning their own word processing service might be.
 - Ask them what disadvantages they see.
- II. Discuss small businesses briefly. Over 90% of all businesses in the United States are small businesses. In this module we will be dealing with very small businesses, meaning a self-employed owner working alone or with one to four employees. Often small businesses are owned and run by members of a family.
- III. Discuss the purposes of the module:
 - To increase students' awareness of small business ownership as a career option.
 - To acquaint students with the skills and personal qualities word processing service owners need to succeed.
 - To acquaint students with the kind of work small business owners do in addition to using their vocational skills.
 - To expose students to the advantages and disadvantages of small business ownership.
- IV. Emphasize that even if students think they lack management aptitudes, some abilities can be developed. If students "turn on" to the idea of small business ownership, they can work at acquiring abilities they don't have.

Also, students who work through this module will have gained valuable insights into how and why business decisions are made. Even if they later choose careers as employees, they will be better equipped to help the business succeed because of their understanding.

Unit 1 - Planning a Word Processing Service (1 class period)

- I. Vocabulary: client competition
sick-leave pay training manual
sales tax professional
confidentiality

- II. Case Study: Alan Chow talks about what it is like to leave a secure job as a supervisor of word processing at a drug company to start his own service.

Text: What Is a Word Processing Service?
What Kind of Service Will You Provide?
Who Will Come to You? Is There Room for You?
Crystal Balling It--How Rosy Is the Future?
Skills, Experience, and Personal Qualities
What Matters Most--Good Service
Legal Requirements

Optional Points to Present:

- You may want to discuss here that more than 50% of all small businesses go out of business within two years.
- Small business owners work very hard, because the success or failure of their business depends entirely on them.

III. Responses to Individual Activities

1. a, b, c
2. You would have to know how to run a word processing machine, you would have to know about bookkeeping and advertising, etc.
3. A secretary answers to one or more bosses and does not have to bring in his or her own clients. The owner of a word processing service doesn't have to answer to a supervisor, but he or she does have to please the work, please the customers, and know all about owning a small business.
4. You can work for another word processing service as an employee or you can work for a large company that uses word processing.

IV. Responses to Discussion Questions

1. There is no steady paycheck, you have all the responsibility of the business succeeding or failing, you have to work overtime, you have to keep business records, etc.
2. You could mail letters for your clients and do other post office errands; you could offer copying service and be open evening hours. You could offer "emergency" service.

3. Answers will vary. Being a man is a slight disadvantage only in that some people still have the idea that a "secretary" should be a woman. That, of course, is changing.

V. Group Activity

Encourage students to write down as many interesting questions as possible. Here are some possible questions:

- How did you get started?
- How did you find a place?
- How did you get money to start?
- How do you get new clients?
- How much do you charge?
- How did you decide on that pricing?
- What is the best or most exciting thing that has ever happened?
- Have you ever had to fire anyone? How did you do it?
- What advice can you give to others who might want to start the same business?

You may need extra time to schedule this meeting. Conduct this activity during any of the later units if desired.

Unit 2 - Choosing a Location (1 class period)

- I. Vocabulary: ground-floor location
- II. Case Study: Alan talks about where to locate. He discusses being near the business district. He also describes "the three Ps"--parking, the post office, and print shop.

Text: You Come First
Next Comes the City
Locations to Avoid
Where in That City?

III. Responses to Individual Activities

1. b
2. It is possible to see if there is a need for secretaries. A word processing service could take some of that work.
3. Insurance companies, research firms, stock brokers, universities, etc.
4. c

IV. Responses to Discussion Questions

1. Answers will vary. Students may have to check with the Chamber of Commerce, look in the Yellow Pages and do some other researching to find answers. You may have to provide some background information to students regarding the population and growth patterns of local towns (see an almanac or census book). The amount of new construction underway in a town is an indication of growth.
2. Answers will vary. Have students defend their choice with the facts.
3. A one-person word processing service business could be operated quite easily out of the home. Advantages include convenience and economy. You wouldn't have to waste time driving to work and wouldn't have to pay extra for rent. (You can even take some tax deductions.) Disadvantages include problems of interruptions from the family, not having enough work space or "breathing" room, and mixing up "work" and "family" time.

V. Group Activity

Responses should take into consideration factors suggesting high demand for services and low competition. Answers will be different. Discuss with students why they ranked factors as they did.

Unit 3 - Getting Money to Start (1 class period)

- I. Vocabulary: "seed" money
collateral
loan officer
operating capital
"fudge factor"
- II. Case Study: Alan talks about the costs of starting his business, buying the equipment, and finding an office. He tells how he found money--not from a bank, but through his friends.

Text: The Business Description
Writing the Statement of Financial Need
Costs of Opening an Office

Optional Points to Present:

- A personal résumé would also have to accompany the business description and the statement of financial need. You may want to bring in examples and discuss how to write a good résumé.

- Many people are reluctant to add money that they don't "need" at the moment. You may want to discuss the importance of the "fudge factor."
- An actual business description is longer than the one presented here.

III. Responses to Individual Activities

1. & 2. Both the business description and the statement of financial need will vary greatly with students. Make sure all important items mentioned in the text are included.
(Total loan money needed = total starting expenses - total money on hand)

IV. Responses to Discussion Questions

1. Answers will vary. You may want to role play the situation. Alan will probably have a better chance if he answers honestly without giving too much detail. This should not affect his success in getting a loan unless he has large financial responsibilities as a result of his marriages.
2. Students should come up with lots of different responses. Possible answers are that the friendship gets strained because friends are uncomfortable making clear agreements, or friends may feel obligated to lend money even though they do not feel they want to. Clear agreements and honest communication would help. Some people may decide to avoid problems by not borrowing from friends at all.

V. Group Activity

Answers will vary. Being prepared is important. Dressing comfortably will help. Thinking about options if the loan doesn't come through makes the interview easier also.

Unit 4 - Being in Charge (1 class period)

- I. Vocabulary: profit sharing
benefits
office "atmosphere"
work references
- II. Case Study: Alan talks about being a good boss. He describes profit sharing and his bi-weekly meetings. He discusses the problems of hiring friends.

Text: Who Will Fill Your Needs?--Writing the Job Description
Eeny-Meeny-Miny-WHO?
Training New People

Optional Points to Present:

- You may want to discuss the difference between a formal and an informal office atmosphere.
- There are many other aspects of the employee-employer relationship that you may want to cover—people asking for raises, others quitting, or workers being chronically late. You may want to role play these situations.

III. Responses to Individual Activities

1. Advertising, bookkeeping, hiring and training people, dealing with angry clients, getting equipment repaired, etc.
2. Discuss the disadvantage of having people "drop in" without calling first. On the other hand, it may be an advantage to have people know your location so that they will know how far they would have to travel to work.
3. Yes, because some people wouldn't fit into Alan's type of office. This way people know more about you.
4. Pearl Linley is probably the best candidate. She has word processing experience and good job references. She made a lot of mistakes in the typing although her speed was good. She should be given the test again to see if she gets her errors down. Jerry Barker does not have a high school diploma (he may have problems with English). Also, his typing speed was quite low. He is highly motivated, however. He would be second choice for the job. Neil Goldberg has no office experience and may be overeducated for the job. In addition, his salary requirements are too high (Alan was offering \$6/hour).

IV. Responses to Discussion Questions

1. Answers will vary. You should discuss your observations with him. Give specific facts and be tactful. Ask him what you can do to help and how he plans to change.
2. Answers will vary. Possibilities include firing one of the employees, telling them to cool the romance at the office, doing something to cheer Frank up, or doing nothing.
3. Advantages: Two people bring more energy to one job as well as different skills.
Disadvantages: There's more paperwork with two employees; communication between them must be good, or problems will arise.
4. Keep employees happy by telling them what you expect, rewarding good behavior, giving prompt, polite feedback on negative behavior, and helping employees with work problems and (to a

much lesser extent) personal ones. Have informal coffee breaks or parties once in a while; be flexible about vacations and time-off when possible; give fairly high salaries to attract and keep good workers; and, when necessary, fire poor workers, or morale will decrease.

V. Group Activity

Here are some "Do's" and "Don'ts":

Do--Give a warning--be specific about what you don't like
Tell the person why he or she is being fired
Let the person know in private
Be nice but firm

Don't--Discuss it with anyone else
Let the fired employee train his or her replacement
Let the person talk you out of firing him or her

Unit 5 - Organizing the Work (1 class period)

I. Vocabulary: document
copy
Xerox
collate

II. Case Study: Alan talks about setting up the work order form and the work schedule.

Text: When the Work Comes In
Filling Out the Work Order Form
Who's Going to Do It?
Do Not Forget Your Library.

III. Responses to Individual Activities

1. b

2. This way the customer must read what's on the order form and agree to it before the work is done. This prevents many format errors, etc.

3.

Name Dr. Jim Marcello Phone 896-8849
Address 5549 Tree Lane Drive
Rec'd on May 2 Promised by 5 pm, May 4
Final Draft _____ Margins _____
Spacing single Paragraphs indent
Type Style san serif elite
Xerox _____ copies of each of _____ originals
Print 4 copies of each of 30 originals
Collate Save until May 11

Special Instructions:

Call if there are questions

4. Answers may vary. Approximate times for the work orders are:
 - a. one hour
 - b. eight hours
 - c. two and a half hours.

IV. Response to Discussion Question

Most word processing services agree that "the customer is always right." Since the report is in memory, you could run it over fairly easily in the type face he wants. If this happens more than once, however, with the same client, you might charge him for the corrections or refuse to accept his work again.

V. Group Activity

Numbers 3, 4, and 1 are probably most important--in that order. Time estimates will vary. Some of your students may decide that dealing with a drunk operator could take two minutes while others estimate it could take as long as an hour. You could probably put off calling the Yellow Pages ad consultant, meeting with the tax consultant, and reading the mail (#2, 5, and 6) until the next day.

Unit-6 - Setting Prices (1 class period)

- I. Vocabulary:
 - repetitive letters
 - break-even analysis
 - the "going rate"
 - depreciation
 - profit

- II. Case Study: Alan talks about the various factors that have to be considered in pricing. He discusses a break-even analysis and pricing repetitive letters.

Text: Your Competition and Your Costs
Things That Make the Price Go Up
Things That Make the Price Go Down

III. Responses to Individual Activities

1. Word processing services do not charge by the page because some projects require a lot of keying in and revision time per page; others require less. This depends on the complexity of the material and the neatness of the customer's "copy." Charging per page doesn't give an accurate picture of the amount of time spent doing a particular project, and the owner must pay his or her employees by time.
2. Break-even point is the amount of money the business has to bring in to cover its bills (expenses), without any money left for profit.

3. Alan wanted to know how much he could charge for each machine per hour. He divided by two because he had two machines that could bring in money.
4. Bad accounts, thefts, depreciation, etc.
5. You should charge more for special services because they may involve special equipment or skills or extra time.

IV. Responses to Discussion Questions

1. Answers will vary. You can justify charging more if you are particularly accurate or fast. You can charge more if you provide special services. You might charge less just to bring in clients or if you are working out of your home. (In this case, your operating expenses are lower. You could charge less and still make more profit.)
2. Encourage students to offer as many reasons as they can. Possibilities include: inflation and rising costs; employees asking for more money; and word processing services being in such demand that they become "worth" more.

V. Group Activity

- a. The break-even point per hour comes to \$17.40 ($\$15.00 + \$2.20 + \0.20). When you divide that by two for the two machines, it comes to \$8.70 per hour per machine.
- b. The minimum per hour should be at least \$16.00 to provide enough profit to cover the owner's salary, down time, etc. Students may want to charge different prices for repetitive letters, for paper, etc. (as Alan did).

Unit 7 - Advertising and Selling (1 class period)

- I. Vocabulary: word-of-mouth advertising
direct mail
goodwill
- II. Case Study: Alan talks about hiring his friend to do his advertising. He tells of the importance of word-of-mouth advertising and goodwill.

Text: What Kind? Where?
The Yellow Pages
Direct Mail and Personal Contact
Writing on the Wall
Goodwill
How Much Money Does It Take?
What to Remember...

Other Point to Consider:

Stress the importance of selling the idea of a word processing service. Many companies are not familiar with it. Just as many companies have shied away from using computers (and still do), many will shun word processing until they understand its value. That is probably the first job of a good advertising manager.

III. Responses to Individual Activities

1. The five parts of an ad are the headline, illustration, copy, layout, and identification.
2. Students should include the five main parts in their ads. Ads should be simple, attractive, informative, and "catchy." The illustration should project an image that will appeal to the targeted customers (small business owners, doctors, lawyers, etc.). The most important information should be most prominent in the ad. Ads should also have a certain amount of "white space." Overly cluttered layouts are unappealing to readers and tend to confuse them regarding what information is important. In summary, ads should be creative and organized.
3. Share the information students found. You may want to ask them if they had any problems finding out the information.
4. The Yellow Pages, fliers, word of mouth, etc.

IV. Responses to Discussion Questions

1. Encourage students to come up with unusual ideas--passing out free calendars, giving a free lecture to a secretarial class at the local community college, doing volunteer work, etc.
2. Responses may vary, but two things should be the Yellow Pages and goodwill.
3. A word processing service is really a very advanced secretarial service; many people are not yet aware of just what word processing means, so they may not look for it in the directory.

V. Group Activity

Answers will vary. For a word processing service, accuracy and other related features are probably more important than friendliness or low cost. These may be secondary drawing cards. Ask students to look in the Yellow Pages to see the kinds of images the word processing and secretarial services in your area try to project. Slogans may include: "Professional service to professional clients" or "Accuracy is our byword," etc.

Unit 8 - Keeping Financial Records (1 class period)

I. Vocabulary: flexibility
bookkeeping
itemized

II. Case Study: Alan talks about the importance of keeping records.
He talks about the importance of setting up a good
billing system.

Text: How to Bill
Keeping Track of Time Spent
Easy Come, Easy Go--The Daily Cash Sheet

Other Points to Discuss:

The customer billing form and daily cash sheet presented here are
simplified versions. You may want to discuss with your students
why a word processing service would have billing forms printed,
specially to fit its needs.

III. Responses to Individual Activities

1. Alan doesn't give credit to first-time customers because he is
not sure they are going to return and pay their bill.
2. Fifteen minutes would cost \$5.00.

3.

CUSTOMER BILLING FORM

Customer: Luis Santo

Date	Description of Work	Amount Charged	Payment Received	Balance Due
5/4	Master's	\$130	--	\$130
5/5	"	\$140	--	\$270
5/8	"	\$110	--	\$380

DAILY CASH SHEET

<u>Cash Receipts</u>		<u>Cash Payments</u>	
Cash Sales	\$ 400	Salaries	\$ 400
Credit Sales	559	Building Expenses	_____
		Equipment Rental	_____
		Supplies	560
		Advertising	_____
		Other (insurance)	83
TOTAL CASH RECEIPTS	\$ 959	TOTAL CASH PAYMENTS	\$ 1,043

IV. Responses to Discussion Questions

1. Usually there is a minimum fee because it costs money just to do the billing and keep track of the account. If a business charged less, it would lose all the profits to record-keeping.
2. Encourage lots of answers. The possible advantages are that most people like to be billed all at once. That way clients don't have to carry checks or write a lot of checks. The disadvantages are that it costs time and money to do the billing, and some people don't pay very promptly once they have the work.
3. This question allows students to express their own values. A good credit risk is someone who has the ability to pay (based on having a good job, etc.) and the reliability to do so (evidenced by a good credit rating).

V. Group Activity

Records include customer billing forms, daily cash sheets, checkbook balance forms, accounts payable (bills due), payroll records, your income tax records, W-2 and W-4 forms for employees, records on machine use and downtime, samples of past advertising and prices, etc.

The customer billing form should contain the same information as the one in the text. Other information may include hours worked and payment terms. Students may modify the format as desired and should include details about their particular service.

Unit 9 - Keeping Your Business Successful (1 class period)

I. Vocabulary: "in the red"
 "in the black"
 profit ratio
 profit/loss statement

II. Case Study: Alan talks about his profit/loss statement and his decline in profits.

Text: The Profit/Loss Statement
 Figuring the Profit Ratio
 How to Change the Profit Ratio

III. Responses to Individual Activities

1.

TWO-YEAR PROFIT/LOSS STATEMENT

	<u>Year 2</u>		<u>Year 3</u>	
<u>Revenues</u>				
Cash Sales	\$30,000		\$25,000	
Credit Sales	20,000		35,000	
TOTAL	\$50,000	100%	\$60,000	100%
<u>Cost of Goods Sold</u>				
	1,000	2%	1,200	2%
<u>Gross Profit</u>				
	49,000		58,800	
<u>Expenses</u>				
Salaries	\$10,000		\$16,000	
Building Expenses	5,000		6,000	
Equipment Rental	5,500		7,300	
Supplies	500		600	
Advertising	2,500		3,400	
Legal	250		250	
Insurance	250		250	
TOTAL	\$24,000	48%	\$33,800	56%
<u>Net Profit</u>				
	\$25,000	50%	\$25,000	42%

2. The first year was actually a better one for Executive. Net profits were the same for the two years, but the profit ratio was better in Year 1.

3. Raise prices, increase the number of clients, expand services, etc.

IV. Responses to Discussion Questions

1. It all depends on how badly Alan needs advice. If a person has a particularly good reputation as a consultant, \$300 is inexpensive for finding out how to improve the business.
2. If Alan has a good plan for improving his business next year, he should "stick with it." Students may vary in their opinions about how important students feel home support is.
3. Encourage students to think about what it might be like to feel that people have judged you on the basis of your ethnicity.

V. Group Activity

This could take up as much as one class period. You might also talk about whether you could hire people to do those activities that you dislike.

Summary (15 - 30 minutes)

If desired, the Quiz may be given prior to summarizing the module and doing wrap-up activities.

The Summary section of the Student Guide covers the main points of the module. You may wish to discuss this briefly in class to remind students of major module topics.

Remind students that their study of this module was intended as an awareness activity so they could consider entrepreneurship as a career option. Their introduction to the skills required for successful small business management has been brief. They should not feel that they are now prepared to go out, obtain a loan, and begin their own business. More training and experience are necessary. You can suggest at least these ways of obtaining that experience: one way is to work in the business area in which they would eventually want to have their own venture; another is to go to school (community colleges are starting to offer AA degrees in entrepreneurship).

This is a good time to get feedback from the students as to how they would rate their experience with the module. Could they identify with the characters portrayed in the case studies? How do they feel about the learning activities?

You may want to use a wrap-up activity. If you have already given the quiz, you can go over the correct answers to reinforce learning. Or you could ask class members to talk about what they think about owning a small business and whether they will follow this option any further.

Quiz (30 minutes)

The quiz may be used as an assessment instrument or as an optional study tool for students. If you wish to use the quiz for study purposes, duplicate and distribute the answer key to students. In this case, student achievement may be assessed by evaluating the quality of students' participation in module activities.

Quiz Answer Key

1. Typing, revising, and producing research reports, legal documents, etc.; doing repetitive letters; transcribing from tapes; and updating mailing lists.
2. a
3. b
4. b
5. c
6. Possible responses include: name of owner and business; type of services provided; location; potential customers; competition, strategy for success (ways to stand out from the competition).
7. b
8. a
9. a
10. \$11,000
11. a
12. Competitors' prices, your operating expenses (or break-even point), your desired profit, special services offered, and general economic condition.
13. c
14. a
15. c
16. Customer's name, date, description of work done, hours worked, hourly rate charged, amount of payment received, and amount still due (balance).
17. b

18. b

19. b

20. Bring in more customers, do more advertising, raise or lower prices, offer special services, or buy better equipment.

SUGGESTED READINGS

Holt, N., Shuchat, J., & Regal, M. L. Small business management and ownership. Belmont, MA: CRC Education and Human Development, Inc., 1979.

Jeanneau, J. A. Small business management: Instructor's manual (4 vols.). Prince Albert, Saskatchewan: Department of Manpower & Immigration, Training Research and Development Station, 1973.

National Business Education Association. Business ownership curriculum project for the prevocational and exploratory level (grades 7-9): Final report. Reston, VA: Author, 1974.

Nelson, R. E., Leach, J. A., & Scanlan, T. J. Owning and operating a small business: Strategies for teaching small business ownership and management. Urbana, IL: University of Illinois, Department of Vocational/Technical Education, Division of Business Education, 1976.

Rowe, K. L., & Hutt, R. W. Preparing for entrepreneurship. Tempe, AZ: Arizona State University, College of Business Administration, 1979.

GOALS AND OBJECTIVES

Goal 1: To help you plan your word processing service.

Objective 1: Describe the services, clients, and competition of a word processing service.

Objective 2: List three personal qualities a word processing service owner might have.

Objective 3: List three ways to give good service.

Objective 4: List two of the legal requirements you might have to consider before opening.

Goal 2: To help you choose a good location for your service.

Objective 1: List three things to think about in deciding where to locate your business.

Objective 2: Pick the best location for a word processing service from three locations.

Objective 3: Decide whether your city or town would be a good location.

Goal 3: To help you plan how to get money to start your business.

Objective 1: Write a business description for your business.

Objective 2: Fill out a form showing how much money you will need.

Goal 4: To help you choose the people who work for you.

Objective 1: List the information needed on a job description.

Objective 2: Choose the best person to work at your service from a list of three.

Objective 3: List one quality of a good boss.

Objective 4: List two ways to keep your employees happy.

Goal 5: To help you organize the work of your word processing service.

Objective 1: Fill out a customer work order form.

Objective 2: Fill out a work schedule.

Goal 6: To help you set prices for your word processing service.

Objective 1: List three things to consider in setting prices for your service.

Objective 2: Set prices for your word processing service after being given certain facts.

Goal 7: To help you plan your advertising and selling.

Objective 1: Design an ad for your word processing service.

Objective 2: Design an advertising campaign after being given a set of facts about a business.

Goal 8: To help you learn how to keep financial records for your word processing service.

Objective 1: Fill out a bill for a customer.

Objective 2: Fill out a daily cash sheet that records money coming in and going out of the business.

Goal 9: To help you learn how to keep your business "in the black."

Objective 1: Figure out the net profit, profit ratio, and expense ratio after being given a specific business situation.

Objective 2: State one way to increase profits in a business that is losing money.

Objective 3: State one way to increase the number of clients you have by changing or improving your service.