

Slides 7.6: What a Business Is: Problem, Customer, Product, Price

Slide outline for Lesson 7.6. Twelve slides, one day. Slide 4 (the four questions) stays up or gets printed and posted for the rest of the unit; it is the spine of the project sheet, the numbers page, and the pitch.

Slide 1: What a Business Is

- Unit 7, Lesson 7.6, Topic 7.2 FACS Shark Tank
- Today: the four questions, and one clean piece of arithmetic
- Calculators out. Everybody. All period Image: a small storefront from across the street, nothing fancy. Notes: Five business cards on the board before the bell. Rubric 07 criteria 1 and 2 back at the door with the Topic 7.1 sets.

Slide 2: Do now

- Name a business you have been inside in the last month
- In one sentence, what does it do? Notes: Take six answers and write each one on the board. They will all describe what the business sells. Leave them; the next slide is the move.

Slide 3: Cross it out

- “Cuts hair” becomes: **your hair grows and you cannot cut the back of your own head**
- “Sells coffee” becomes: **you are tired at 7 a.m. and you do not have twelve minutes**
- Every business exists because somebody had a problem and would pay to make it go away Notes: Physically cross out each student answer on the board and write the problem next to it. Do not explain first. Do it, and let the room react. That is the lesson in thirty seconds.

Slide 4: The four questions

1. **What problem?**
2. **Who has it?**
3. **What do you make or do?**
4. **What does it cost you, and what do you charge?** Notes: Say these in this order every day for the rest of the unit. The repetition is what makes the pitch writable in Lesson 7.9.

Slide 5: Product or service. Customer.

- **Product:** something physical you make and sell. A tote bag
- **Service:** work you do for somebody else. Sewing a repair for them
- **Customer:** the person who **pays**. Not always the person who **uses it**
- School bus: the district pays, the student rides Notes: Have students write one product and one service from their own work this year.

Slide 6: Five real businesses. Find the problem.

- A barber shop
- A phone repair counter
- A school bus company
- A bakery
- A lawn mowing crew
- Teams of three. Five minutes. One sentence each Image: five simple storefront signs in a row. Notes: Push question for every row: “Would somebody pay to make that go away? How much?” Take one card at a time and collect the best answer from two different teams.

Slide 7: Revenue, cost, profit

- **Revenue:** all the money that comes in
- **Cost:** all the money you spend to make it
- **Profit:** revenue minus cost Notes: Three words, ten seconds each. The arithmetic on the next three slides is what makes them stick.

Slide 8: The class T-shirt. One shirt.

- Blank shirt: \$4.00
- Printing: \$2.50
- **What ONE shirt costs you: \$6.50**
- You charge: \$12.00
- **Profit on one shirt: \$5.50** Notes: The whole class fills these lines on the handout at the same time. Slow down; everybody writes.

Slide 9: Forty shirts. You sell all forty.

- Revenue: 40 times \$12.00 = **\$480.00**
- Cost: 40 times \$6.50 = **\$260.00**
- Profit: **\$220.00** Notes: Then the formula, said by the class: revenue minus cost equals profit.

Slide 10: Now it breaks.

- You ordered 60 shirts
- You sold 40
- Revenue: 40 times \$12.00 = \$_____
- Cost: 60 times \$6.50 = \$_____
- Profit: \$_____ Notes: **Do not rescue this too fast.** Let them find \$90.00 and be annoyed by it. Hold up the answer on a count of three. If more than a quarter of the room says \$220.00, reteach in 60 seconds using ten shirts, then come back. That annoyance is what makes break-even make sense in Lesson 7.8.

Slide 11: Business or hobby?

- A **hobby** costs you money and you do it because you like it

- A **business** brings in more than it costs, and somebody else decides whether it is worth paying for
- A **hobby is not worse than a business**. Most of what makes life good is a hobby
 - a) bakes cookies for family every Sunday
 - b) bakes cookies and sells 40 at a school event for \$1.00 each; they cost 35 cents to make
 - c) makes bracelets, gives them away, spends \$30.00 a month on string Notes: Vote on each, then take a defense, then call on the students who raised a hand at the start when you asked who has made money from a stranger: “Which of the four questions did you already answer?” Never let this become a put-down of hobbies.

Slide 12: Exit card

1. One real problem you saw this week that somebody would pay to have solved. And who would pay
2. The profit formula, from memory Notes: Two students read line 1 aloud. **Keep every card.** Tomorrow you read eight of them out loud to start the Big Idea Factory, and it saves four minutes and a cold start.