

# Middle School Shark Tank

Sam Agami

## I. Abstract:

A. This lesson was designed to demonstrate the importance of entrepreneurship to our students, and to model the process of developing a business. We used the popular television show “Shark Tank,” as the framework to get our students engaged in the process. We sought to make the development of the new business idea as realistic as possible, as the students were required to consider and plan for a number of aspects of their business. First, students had to complete market research to establish evidence that their idea could be successful in the real business world. They were free (and encouraged) to be creative, but not beyond the bounds of what was possible and feasible. They also had to examine the potential competition for their business and develop a plan to improve on their business model in such a way as to attract away their customers. In addition, they were charged with developing a targeted marketing plan, that both identified who their potential customers would be, and developed specific ideas using traditional and social media advertising, as well as participating in the community to promote their brand. The students also had to determine what the inherent risks would be with their business and develop a risk management plan.

We also required the students to simulate becoming advocates for their idea. They developed a presentation, as well as visual aides to attract attention and investment in their idea. We had two stage process; first a “Business Fair” where the ideas were sold to teachers playing the roles of investors, and the best ideas selected for the final “Shark Tank” assembly where they would present to local businesspeople as the judges. In this lesson, the students learned about the nature of business, the planning and sacrifices necessary to make them happen.

It is our intention that once students have completed this lesson, they will awaken to the possibilities of entrepreneurship. By successfully working through this simulation, the students will have an understanding of the nature of business, while realizing that they are capable of developing a business idea. It is our hope that our students will then be inspired to think seriously about a career as an entrepreneur.

B. This lesson is an effective approach to teaching economic literacy because it is a real-world simulation, asking students to apply the concepts and vocabulary learned in class throughout the Economics unit, to an entrepreneurial idea that they see into fruition. It asked the students to take the content beyond the textbooks, notes, and classroom and into an original idea for a potential business. In order to present to community judges, the students needed to be well-versed in their business, as well as economic terms, in order to respond to questioning.

This lesson forces students to consider all the aspects of creating and operating a business. This helps increase their understanding of financial literacy. As entrepreneurship is the most important driver of the U.S. economy, there is no more important lesson that students could learn. This simulation allows students to begin dreaming about what they can accomplish in the system of free enterprise. It delivers not only essential concepts and knowledge, but can inspire students about the real possibilities of their participation in a free market economy. It allows students to discover their own personal strengths can be harnessed into a financial success with hard work and careful planning.

## III. Economic Content and Key Concepts

This lesson incorporates the following 8th grade benchmarks on Entrepreneurship from the NCEE National Content Standards:

1. Entrepreneurs compare the expected benefits of entering a new enterprise with the expected costs.
2. Entrepreneurs organize resources to produce goods and services because they expect to earn profits.

3. Entrepreneurs (as well as other sellers) earn profits when the revenues they receive from selling the products they sell are greater than the costs of production.

4. Entrepreneurs (as well as other sellers) incur losses when the revenues they receive from selling the products they sell do not cover the costs of production.

5. In addition to profits, entrepreneurs respond to other incentives, including the opportunity to be their own boss, the chance to achieve recognition, and the satisfaction of creating new products or improving existing ones. In addition to financial losses, other disincentives to which entrepreneurs respond include the responsibility, long hours, and stress of running a business.

These concepts are taught and reinforced during the process of the simulation that is the focus of this lesson. Students consider the costs of doing business in an effort to design a profitable business model, as well as experience the responsibility and freedom of becoming their own boss as an entrepreneur.

#### **IV. Economic Standards and Student Learning Outcomes**

##### **A. List and describe the desired student outcomes or learning objectives.**

The purpose of this simulation was to expose the students to as much of a real world simulation to starting their own business and applying concepts from Economics as possible at the middle school level. Students identified the type of business they wanted by choosing to work as a sole proprietor versus a partnership. They had to develop a business model that analyzed the risks as well as benefits of their good or service. In this, we intended for the application of the content to be more meaningful and impactful, rather than simply words on a page.

Finally, students were asked to create a pitch for their business, which reinforced their persuasive writing and public speaking, learned in their core and advanced English classes. The pitch was to sell the idea to potential investors - who were essentially community business owners or individuals in managerial positions. The challenge to students was to summarize information so their pitch did not exceed approximately one minute, yet contained enough information to get the investor excited about their idea.

##### **B. Identify how teaching strategies and student activities address specific to Virginia Standards of Learning.**

*CE.11 The student will demonstrate knowledge of how economic decisions are made in the marketplace by*

*a) applying the concepts of . . . choice, opportunity cost . . . incentives . . .*

Students demonstrated this standard by explaining these terms in relationship to their entrepreneurial idea. What choice do consumers have now? How does your product offer them a solution? They also explored the idea of opportunity cost in the design of their business. What do they need to give up that isn't feasible, practical, or doable? And how do they overcome this to design a functional and successful business? Finally, the idea of incentives were explored through ownership and what was the risk in the business as well as the payoff for the entrepreneur.

*CE.11 The student will demonstrate knowledge of how economic decisions are made in the marketplace by*

*c) describing the characteristics of the United States economy, including . . . and competition.*

In this objective, students were asked to identify at least two competitors to their business. They had to explore how they were to provide a superior good or service, and not just simply state "cheaper" or "better." The student entrepreneurs researched their competitors and evaluated their own plan to ensure potential consumers would prefer their good or service over others.

*CE.12 The student will demonstrate knowledge of the structure and operation of the United States economy by*

*a) describing the types of business organizations and the role of entrepreneurship;*

In their business model, students were able to work as sole proprietors or partners in their business. They accepted the risks and benefits that came with their decision. In the proprietorship, they had the benefit of making all of the decisions, but did not have a partner or group to rely on throughout the simulation. In partnerships, we often saw unrest among the groups on decision-making, but also the workload was divided among the group. Not only a valuable lesson in different types of business organizations, but in group work as well.

## **V. Instructional Process**

A. Prior to the beginning of this lesson, students should be taught about free enterprise, entrepreneurship, types of business ownership, and investment.

B. The project should then be introduced to the students as a project, where they will be planning a new business from the ground up. Encourage students to have fun with this, and make it about something they are interested in, but emphasize that it must also make financial sense. Make it clear that their idea must be rooted in research that proves the idea could actually become profitable.

C. Explain that in the first stage, students will be developing a business plan. A business plan is presented to investors or a lender in order to get the financing (money) necessary to start your business. Be clear about all the steps that this will entail. These will all be explained thoroughly and examples provided in the student materials (attached).

1. Students will have to decide if their business will be a *manufacturer, retail, or service* business.
2. Students will then do research and provide citations and examples that proved there is a *market* for what they plan on selling. They will also research in order to identify which demographics are most likely to be their potential customers. Again this will be done by research.
3. Students will then create a description of what their business will look like, where it will be located, and how their business model would work.
4. Students will then identify (3) real businesses that would be the competition for their start-up. Once identified, students will have to create specific innovations that improve upon how their competitors operate. It is very important to emphasize that generalities such as “lower prices,” “more selection,” and “better quality” are not acceptable as innovations.
5. Students will then examine how their business will operate and identify three legal risks that their business would pose. They would then also create a risk management plan for each risk. Additionally, they will search their company and product names using the U.S. Patent and Trademark office’s website to make sure they do not have any copyright or trademark violations in their idea.
6. Students will then devise and marketing and advertising strategy for their business. They will need to tailor this to the demographics they identified earlier as their most likely customers. They must have a three-part strategy that incorporates social media, traditional media advertising, as well as community marketing. Again the teacher needs to emphasize that generic ideas, such as naming media platforms without specific ways to utilize their strengths are not acceptable.
7. After each stage of the plan development, students will need to get approval from the teacher before moving to the next one.

D. Once the business plan is complete, students will create a short oral presentation as well as a visual aid to use in the “selling” of their idea to potential investors. Students will be provided a template to design their visual presentation aid. It also must be teacher-approved before creating it on a tri-fold presentation board.

E. The next stage of the project is the “Business Fair.” In this stage, students will set up their presentation boards in the classroom, and present their idea to potential “investors,” who will circulate around the room and fill out evaluations (see attached judges sheet). Teachers will

need to schedule faculty volunteers to serve as judges. Ideally this should take place in all of the Economics teachers' classrooms at the same time. Teachers should then examine the results of the judging in a PLC or department meeting to determine which were the best overall presentations from all classes. Those selected will advance to the "Shark Tank" assembly. F. The final stage is the "Shark Tank" Assembly. In planning for this stage, we contact the local business community. We have arranged for volunteers from among local entrepreneurs and business management personnel to serve as the "Sharks," who ask questions and ultimately decide who the winners will be. We also solicit local businesses to donate prizes for the winners of the competition. The involvement of the local business community adds a level of authenticity and excitement to the project for the students.

## **VI. Evaluation of Student Learning**

Students are evaluated at many different stages of this project. The classroom Economics teacher will formatively evaluate the business plan at the several stages of its development, as well as while students work on the assignment. The classroom teacher will also summatively evaluate student work once the business plan, as well as the presentation materials are completed. The students will also be evaluated by the "investors" during the business fair, as the best ideas will of course be evaluated by the volunteers from the local business community in the final state.