



CAREER CLUSTER

Entrepreneurship

INSTRUCTIONAL AREA

Economics

ENTREPRENEURSHIP TEAM DECISION MAKING EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the 21st Century Skills, Performance Indicators and Case Study Situation. You will have up to 30 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge), followed by up to 5 minutes to answer the judge's questions. All members of the team must participate in the presentation, as well as answer the questions.
- Turn in all of your notes and event materials when you have completed the event.

21st CENTURY SKILLS

- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions, and solve problems.
- Communication and Collaboration – Communicate clearly and show evidence of collaboration.
- Creativity and Innovation – Show evidence of creativity.

PERFORMANCE INDICATORS

- Explain the concept of private enterprise.
- Identify factors affecting a business's profit.
- Determine factors affecting business risk.
- Explain the concept of competition.
- Describe entrepreneurial planning considerations.
- Explain the concept of market and market identification.
- Explain types of business ownership.

CASE STUDY SITUATION

You are to assume the roles of business partners that would like to purchase a franchise. The financier interested in helping you purchase the franchise (judge) has given you information about an alternative franchise that might interest you and wants you to analyze the two options and make a final choice.

You live in a city of 300,000 people. The average annual income among households in the community is \$60,000. The city has a plethora of shopping malls, strip malls and retailers located throughout the neighborhoods. The largest employers in the area include a large hospital network, a public university and the headquarters of a hotel management company that employs 300 people.

As business partners, you are interested in purchasing a HAND ME DOWN franchise. HAND ME DOWN is a store that buys and sells used, high-quality children's clothing, shoes and toys. The franchise presents as a retail store with a kid-friendly environment. There are 68 HAND ME DOWN locations across the nation, most in strip malls in suburban areas or near large shopping malls.

HAND ME DOWN's core customers are mothers age 25- to 44-years-old with children under the age of 14-years-old. Customers tend to be lower-middle to upper-middle income households. Secondary customers are females age 45- to 65-years-old, most likely to be aunts or grandmothers of children under the age of 14-years-old. Customers are able to sell their gently used children's merchandise to the store or trade for store credit.

You are both passionate about offering customers affordable merchandise for their children. You feel HAND ME DOWN is a much-needed addition to the area, as the only other second-hand clothing stores are charity based. HAND ME DOWN would also be the first to offer money or store credit for donated items.

The cost associated with purchasing a HAND ME DOWN franchise is \$250,000. Since you have a combined \$200,000, the financier (judge) will provide \$100,000 to make up the cost of the franchise and help with operating and overhead costs.

The financier (judge) has asked you to review information about a different franchise option. The financier (judge) has information about FRUIT BOWL ARRANGEMENTS. FRUIT BOWL ARRANGEMENTS is a franchise that specializes in fresh fruit arrangements designed to resemble flower arrangements.

While there are several florists in the area, there are no FRUIT BOWL ARRANGEMENTS in a 200-mile radius. Customers of FRUIT BOWL ARRANGEMENTS purchase products for use in gift-giving: birthdays, anniversaries, retirement, thank you presents and other celebrations. FRUIT BOWL ARRANGEMENTS has become a favorite in corporate gift-giving, as well. Arrangements start at \$50.00 and can run as high as \$200.00, depending on size and season.

The cost to purchase a FRUIT BOWL ARRANGEMENTS franchise is \$175,000. You have enough money to purchase the franchise, plus more for operating and overhead needs. The financier

(judge) is still willing to provide \$100,000 if you choose this option.

The financier (judge) has asked you to analyze the two franchising options and determine which is the best fit. The financier (judge) wants you to analyze cost, market, brand recognition, passion and staffing.

You will present your analysis and decision to the financier (judge) in a meeting to take place in the financier's (judge's) office. The financier (judge) will begin the meeting by greeting you and asking to hear your analysis. After you have presented your analysis and have answered the financier's (judge's) questions, the financier (judge) will conclude the meeting by thanking you for your work.

JUDGE'S INSTRUCTIONS

You are to assume the role of a financier willing to help two business partners (participant team) purchase a franchise. You have given the business partners (participant team) information about an alternative franchise that might interest them and want the business partners (participant team) to analyze the two options and make a final choice.

The business partners (participant team) live in a city of 300,000 people. The average annual income among households in the community is \$60,000. The city has a plethora of shopping malls, strip malls and retailers located throughout the neighborhoods. The largest employers in the area include a large hospital network, a public university and the headquarters of a hotel management company that employs 300 people.

The business partners (participant team) are interested in purchasing a HAND ME DOWN franchise. HAND ME DOWN is a store that buys and sells used, high-quality children's clothing, shoes and toys. The franchise presents as a retail store with a kid-friendly environment. There are 68 HAND ME DOWN locations across the nation, most in strip malls in suburban areas or near large shopping malls.

HAND ME DOWN's core customers are mothers age 25- to 44-years-old with children under the age of 14-years-old. Customers tend to be lower-middle to upper-middle income households. Secondary customers are females age 45- to 65-years-old, most likely to be aunts or grandmothers of children under the age of 14-years-old. Customers are able to sell their gently used children's merchandise to the store or trade for store credit.

The business partners (participant team) are both passionate about offering customers affordable merchandise for their children. The business partners (participant team) feel HAND ME DOWN is a much-needed addition to the area, as the only other second hand clothing stores are charity based. HAND ME DOWN would also be the first to offer money or store credit for donated items.

The cost associated with purchasing a HAND ME DOWN franchise is \$250,000. Since the business partners (participant team) have a combined \$200,000, you will provide \$100,000 to make up the cost of the franchise and help with operating and overhead costs.

You have asked the business partners (participant team) to review information about a different franchise option. You have information about FRUIT BOWL ARRANGEMENTS. FRUIT BOWL ARRANGEMENTS is a franchise that specializes in fresh fruit arrangements designed to resemble flower arrangements.

While there are several florists in the area, there are no FRUIT BOWL ARRANGEMENTS in a 200-mile radius. Customers of FRUIT BOWL ARRANGEMENTS purchase products for use in gift giving: birthdays, anniversaries, retirement, thank you presents and other celebrations. FRUIT BOWL ARRANGEMENTS has become a favorite in corporate gift-giving, as well. Arrangements start at \$50.00 and can run as high as \$200.00, depending on size and season.

The cost to purchase a FRUIT BOWL ARRANGEMENTS franchise is \$175,000. The business partners (participant team) have enough money to purchase the franchise, plus more for

operating and overhead needs. You are still willing to provide \$100,000 if the business partners (participant team) choose this option.

You have asked the business partners (participant team) to analyze the two franchising options and determine which is the best fit. You want the business partners (participant team) to analyze cost, market, brand recognition, passion and staffing.

The business partners (participant team) will present an analysis to you in a meeting to take place in your office. You will begin the meeting by greeting the business partners (participant team) and asking to hear about their recommendation.

After the business partners (participant team) have presented ideas, you are to ask the following questions of each participant team:

1. What is the most important factor in making this decision?
2. Are there any resources you will utilize to help you make this franchising decision?
3. Do either of the franchises have the possibility of growing stale? Why?

Once the business partners (participant team) have answered your questions, you will conclude the meeting by thanking them for their work.

You are not to make any comments after the event is over except to thank the participants.

JUDGING THE PRESENTATION

Team members, assuming the role of a management team for the business represented, will analyze a case situation related to the chosen occupational area. The team will make decisions regarding the situation, and then make an oral presentation to the judge. The role of the judge is that of an executive for the business.

Participants will be evaluated according to the Evaluation Form.

Please place the name and identification number label on the Scantron sheet (unless it has already been done for you).

Participants will have a 30-minute preparation period and may make notes to use during the role-play.

During the first 10 minutes of the presentation (after introductions), the team will present their analysis, their decisions and the rationale behind the decisions. Allow the teams to complete this portion without interruption, unless you are asked to respond.

During the next 5 minutes, you may ask questions of the team to determine their understanding of the situation presented. Each member of each team should respond to at least one question. To ensure fairness, you must ask each team the same questions. After asking the standard questions, you may ask other questions for clarification specific to the current team.

After the questioning period, please thank the team and state that they will be notified of your decision soon. Then complete the Evaluation Form, making sure to record a score for all categories. The maximum score for the evaluation is 100 points. The presentation will be weighted at twice (2 times) the value of the exam scores.

A maximum score of “Exceeds Expectations” in any category means that, in your opinion, the information is presented effectively and creatively; nothing more could be expected of an employee.

A “Meets Expectations” rating means that the information is present well. Though there may be a few minor problems or omissions, they are not significant. Creativity, however, is not shown to any great degree. A combined total score of 70 or better on the written and presentation sections will earn the participant team DECA’s Certificate of Excellence at the international conference.

A “Below Expectations” score means that the information presented does not meet minimum standards of acceptability.

A “Little/No Value” score means either that some major flaw has been noted that damages the effectiveness of the presentation (this may be a major omission, a serious misstatement or any other major flaw) or that the information presented is of no value (does not help the presentation at all).

We hope you are impressed by the quality of the work of these potential managers. If you have any suggestions for improving the event, please mention them to your series director.

We thank you for your help.



ENTREPRENEURSHIP TEAM DECISION MAKING, 2018

JUDGE'S EVALUATION FORM

INSTRUCTIONAL AREA Economics

Participant: _____

Participant: _____

I.D. Number: _____

Did the participant team:

| | | Little/No Value | Below Expectations | Meets Expectations | Exceeds Expectations | Judged Score |
|---------------------------------------|---|--------------------|-----------------------|-----------------------|-------------------------|-----------------|
| PERFORMANCE INDICATORS | | | | | | |
| 1. | Explain the concept of private enterprise? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 2. | Identify factors affecting a business's profit? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 3. | Determine factors affecting business risk? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 4. | Explain the concept of competition? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 5. | Describe entrepreneurial planning considerations? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 6. | Explain the concept of market and market identification? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 7. | Explain types of business ownership? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 21st CENTURY SKILLS | | | | | | |
| 8. | Reason effectively and use systems thinking? | 0-1 | 2-3 | 4 | 5-6 | |
| 9. | Make judgments and decisions, and solve problems? | 0-1 | 2-3 | 4 | 5-6 | |
| 10. | Communicate clearly and show evidence of collaboration? | 0-1 | 2-3 | 4 | 5-6 | |
| 11. | Show evidence of creativity? | 0-1 | 2-3 | 4 | 5-6 | |
| 12. | Overall impression and responses to the judge's questions | 0-1 | 2-3 | 4 | 5-6 | |
| TOTAL SCORE | | | | | | |