Lesson 2.2 Entrepreneurship: Problem First, Business Second

Lesson Author

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Standards and Benchmarks

See page 6.

Lesson Description

In this lesson, students examine entrepreneurship and the entrepreneurial process. They determine "what bugs them" and create a potential entrepreneurial solution to that problem. The activity encourages the students to be innovative and solve society's current problems. To obtain an answer key for the assessment in this lesson, create an account on FederalReserveEducation.org.

Concepts

Entrepreneurs
Entrepreneurship
Entrepreneurial Process

Objectives

Students will be able to:

- define entrepreneurship.
- identify a current societal or economic problem.
- apply the entrepreneurial process to solve the problem.

Compelling Question

Why are entrepreneurs beneficial to society and the economy?

Time Required

60-90 minutes

Materials

- Entrepreneurship: Problem First, Business Second Lesson Slides, one copy for teacher to display
- Handout 2.2.1: Entrepreneurship: Notetaker, one copy for each student
- Handout 2.2.2: Entrepreneurship Assessment, one copy for each student
- Chart paper
- Markers
- Sticky notes

Procedure

1. Distribute Handout 2.2.1: Entrepreneurship Notes to each student and direct students to take notes concerning the entrepreneurial concepts discussed in class.

2. Display Slide 2. Define **entrepreneurship** as a characteristic of people who assume the risk of organizing productive resources to produce goods and services.

3. Display Slide 3. Define **entrepreneurs** as individuals who are willing to take risks in order to develop new products and start new businesses. They recognize opportunities, enjoy working for themselves, and accept challenges. Entrepreneurs add value to society and increase consumer choice.

4. Ask students to generate a short list of entrepreneurs familiar to them. Have students share their list of entrepreneurs and share what these entrepreneurs have accomplished; the products, services, and businesses they have created. (*Answers will vary. The list may include famous millionaires, billionaires and trillionaires, as well as local business owners in the community.*)

5. Have students list the characteristics that they believe entrepreneurs possess.

6. Display Slide 4 and explain the characteristics of entrepreneurs: innovative, risk-takers, resilient, visionary, and self-motivated.

7. Divide the students into teams of 4 or 5.

8. Distribute a few sheets of large chart paper to each group and markers for them to use.

9. Have the student teams brainstorm a separate list of problems that "bug them". Their list should include societal problems or everyday frustrations (e.g. school lunches, phone battery lifespan, heavy backpacks). Write the responses on chart paper and display them in the classroom.

10. Have the teams report out and explain their lists. Discuss the following:

    a) What problems are common to the teams? (*Answers will vary.*)

b) What resources or skills does the group have to possibly provide a solution to the problems identified? (*Answers will vary*.)

11. Explain to the students that they will use an entrepreneurship process to solve a problem that is bugging their group.

12. Display Slide 5 and describe each part of the entrepreneurship process:

    a) Idea Generation – Identifying a problem or opportunity in the market.

    b) Market Research – Understanding potential customers, competitors, and industry trends.

    c) Business Planning – Developing a business model, value proposition, and financial plan.

    d) Funding – Securing the necessary capital through savings, investors, or loans.

    e) Product Development – Creating and refining the product or service.

    f) Launch - Bringing the business to market and attracting initial customers.

    g) Growth – Expanding operations, scaling up, and adapting to the market.

13. Have students add this information to Handout 2.2.1.

14. Display Slide 6. Discuss these common challenges faced by entrepreneurs with the students and have them suggest possible challenges that their identified entrepreneurs may have faced.

    a) Uncertain or unstable income, especially in the early stages.

    b) Access to funding or financial resources.

    c) Competition and changing market dynamics.

    d) Time management and work-life balance.

    e) Navigating legal and regulatory requirements.

15. Have students brainstorm and share at least two tips for aspiring entrepreneurs.

16. Display Slide 7. Provide the students with the following tips and discuss if these tips match or align with their brainstormed tips.

    a) Start with a problem that you are passionate about solving.

    b) Research your market and understand your customers.

    c) Build a strong support network of mentors, advisors, and peers.

d) Be prepared to adapt and pivot as needed based on feedback and results.

e) Don't be afraid to fail – view mistakes as learning opportunities.

17. Tell students they will now be taking on the role of entrepreneurs. Explain that entrepreneurship starts with identifying a problem and finding a valuable, scalable way to solve it. Tell students they have already brainstormed a list of problems, and they will work in groups to create a solution to one of the problems. They will then give a quick 60-second "elevator pitch" to the class explaining their problem, solution, and target customer.

18. Display Slide 8 and explain to students they will need to consider the following:

    - Problem: What specific pain point are you solving?
    - Solution: How does your product or service fix this?
    - Customer Segments: Who exactly are you helping?
    - Value Proposition: Why should they pick you over existing alternatives?

19. Distribute four sticky notes to each group. Give students time to answer the questions on sticky notes. Have students answer each question on a separate sticky note to help them deliver their elevator pitch.

20. Have groups deliver their elevator pitches. After each group speaks, ask the other groups to offer constructive feedback.

21. Recap that successful businesses don't just sell things; they provide real value by making people's lives easier or better. Challenge students to notice three problems they encounter in their daily lives before the next class.

Closure

22. Review the important points of the lesson by asking students:

    a) What is an entrepreneur? (*Entrepreneurs are individuals who are willing to take risks in order to develop new products and start new businesses. They recognize opportunities, enjoy working for themselves, and accept challenges. Entrepreneurs add value to society and increase consumer choice.*)

    b) Why is entrepreneurship important to the economy, in general? (*Entrepreneurs take on the risk of providing goods and services to people. They find solutions to everyday problems.*)

Assessment

23. Distribute Handout 2.2.2: Entrepreneurship Assessment. The assigned groups should identify one entrepreneur in their community. Have groups email or call and set up a short interview to possibly meet the local entrepreneur for an informative interview. Instruct the students to write an essay explaining who the entrepreneur is (their backgrounds) and how they started their

business. In the essay the students should reflect on the entrepreneur process and how the entrepreneur succeeded in carrying out the process. After you grade this assessment, return it to the students and ask them to keep the handout and the essay in their portfolios. (*See Answer Key 2.2 for detailed grading guidance.*)

Related Resources

- Video: "What is an Entrepreneur?", Georgia Public Broadcasting: https://whyy.pbslearningmedia.org/resource/98d58b2a-ff52-492e-89e2-2c03d2de840e/what-is-an-entrepreneur-entrepreneurship-video-virtual-field-trips/

Standards and Benchmarks

National Standards for Personal Financial Education

Standard 1: Earning Income

Most people earn wage and salary income in return for working, and they can also earn income from interest, dividends, rents, entrepreneurship, business profits, or increases in the value of investments. Employee compensation may also include access to employee benefits such as retirement plans and health insurance. Employers generally pay higher wages and salaries to more educated, skilled, and productive workers. The decision to invest in additional education or training can be made by weighing the benefit of increased income-earning and career potential against the opportunity costs in the form of time, effort, and money. Spendable income is lower than gross income due to taxes assessed on income by federal, state, and local governments.

Benchmarks: Grade 12

11. Owning a small business can be a person's primary career or can supplement income from other sources

Handout 2.2.1: Entrepreneurship Notes

Definition of Entrepreneurship:

Characteristics of Entrepreneurs:

- ____
- ____
- ____
- ____
- ____

Entrepreneurship Process:

1. ____
2. ____
3. ____
4. ____
5. ____
6. ____

Would you make a good entrepreneur? Explain.

Handout 2.2.2: Entrepreneur Assessment

Directions: Identify an entrepreneur in your community. In your group, email or call to set up a short interview to meet the local entrepreneur for an informative interview. Write an essay explaining who the entrepreneur is (their backgrounds) and how they started their business. In the essay, reflect on the entrepreneur process and how the entrepreneur succeeded in carrying out the process.