

## Module 4 | Social Enterprise Management

<b>Module Name:</b>	Social Enterprise Management
<b>Age or Grade:</b>	Secondary 2.0 (Mixed age group)
<b>Discipline:</b>	Career & Community Development
<b>Level:</b>	Intermediate
<b>Duration:</b>	4 weeks

Dear Teacher,

During this module students explore the design process and develop many social enterprise ideas that have economic viability, paired with a social or environmental mission.

- Purpose
- Competencies, Indicators, Skills, and Concepts
- Module Overview
- Background Information
- Assessment
- Module Deliverables
- Resources
- Workshops and Lessons

### Purpose

The purpose of **Module 4 - Social Enterprise Management** is for students to effectively launch and start operating their social enterprise within the community. While operational, they will learn about sales, operations and finances all through experiential learning related to their social enterprise.

### Use of Time

Time is relative. You may adjust the time recommended for each activity and assessment based on your class size and dynamic. Leave room for authentic moments of learning and flexibility. Each Module is designed so that you can apply the learning to real life situations.

A possible calendar timeline for the course is:

Module 1 - August 15 to September 15  
 Module 2 - September 16 to October 16  
 Module 3 - October 16 to November  
**Module 4 - December to April 15**  
 Module 5 - April 15 to May 15  
 Capstone Event Show What You Know - End of May

## Competencies, Indicators, Skills, Concepts

### Competency

- Communicated and builds relationships with target audience using marketing and sales tools
- Analyzes financial performance
- Creates a presentation on the social enterprise

### Indicators

- Students will participate in the operations of a social enterprise as part of a team
- Students will use management tools to manage their social enterprise
- Students will employ sales/marketing techniques to get, keep, and grown their customers
- Students will keep track of expenses, revenues, and report profits or losses
- Students will prepare a short pitch presentation that explains the business model, brand, mission and impact of the social enterprise

### Critical Skills

#### Self Agency

### Concepts

Sales

Operations

Financials

## Module Overview

In **Module 04: Social Enterprise Management**, students launch and start running the operations of their social enterprise. To run the operations, students will employ simple management techniques like inventory management, cash management, human resources, customer relationship management, sales and production activities.

Students will also develop sales and marketing tools in order to increase awareness of their social enterprise with the goal of increasing both sales and impact. Students will also begin to put together presentations on their social enterprise which can be used for *Module 5 - Show What You Know* as well as for potential investors, partners and/or customers.

Throughout this module, students will keep track of their business expenses and revenues, and identify any profits or losses. If profits are generated, students will make strategic decisions on how best to reinvest their profit for maximal social impact.

## Big Questions

- How can we attract customers?
- How can we keep customers?
- How can we grow customers?
- What do we need to manage the operations of our social enterprise?
- How can we best invest our profits to grow our social impact?
- How do we keep track of our finances?
- How do we best pitch our social enterprise to stakeholders?

## Inspirational Quote

*Post this in your classroom*

**“Success isn’t just about what you accomplish in your life; it’s about what you inspire others to do.”**

- Unknown

## Background Information

### Sales

**Sales** is the act of selling your products and services. It is the process of turning a potential customer into a *paying* customer. Sales are the only activity that generates revenue. Since you need to generate revenue in order to run your business, **sales are what keeps your business alive**. Selling is used at every stage of your business. While you will mostly use sales to sell your products and services to customers, you also use sales to sell your business concept to investors, funders, and other relevant stakeholders.

There are 2 main types of customers you will sell to.

- **Consumers** - People like you who buy goods and services day-to-day for themselves or others
- **Businesses** - Other companies or organizations who want to buy products and services (e.g. office supplies, furniture, uniforms, wholesale products and services.)

Consumers and businesses have different characteristics, which means they need a different sales approach. Below is a comparison between **Business to Consumer (B2C)** and **Business to Business (B2B)**.

	B2C	B2B
<b>Who are they buying for?</b>	A consumer makes a decision for themselves, someone else, or a household.	Making a decision on behalf of a business or an organization. Many people may be involved in the decision making process.
<b>How many customers are there?</b>	Typically larger (targeting higher volume of customers).	Typically smaller (targeting a few businesses).
<b>How big is each sale?</b>	Typically smaller (e.g. purchases of 1 to 3 units).	Typically larger (e.g. purchases of 600 units).
<b>What type of relationship do you have with them?</b>	Typically shorter relationships	Typically longer relationships
<b>What motivates them to buy?</b>	Typically based on immediate needs and wants. Can be driven by emotions and desires.	Purchases are typically planned, evaluated, and decisions are rational, based on logic.
<b>How long does it typically take to make the sale?</b>	The time it takes for a consumer to make a decision on a purchase is usually shorter.	The time it takes for a business to make a decision on a large purchase usually longer, and may be a multi-step process.

## Government [B2G]

Having a government agency or organization as a customer is a great opportunity for many businesses. Government, like consumers and businesses, buy products and services. Government purchase billions of dollars of goods and services in a year from office supplies to furniture, from printing services to construction needs and professional services. This is called government procurement. Government orders are usually very large. In Canada, the government purchases approximately \$16 billion worth of goods and services from private business owners every year.

## Marketing/Customer Segments

**Marketing** is the process of communicating the value of your product and services and building relationships with your customers. Marketing covers many different activities and is a part of nearly every aspect of operations.

Marketing helps you:

- Know your customers
- Know how to communicate with your customers
- Take your product to market

A **customer segment** is a group of people that have a shared set of characteristics and who are marketed to in a similar way. Different customer segments also 'talk' to each other. If you succeed with a segment, that group will sell for you! But you must speak the language of that group of people's needs. Market segmentation helps you to learn what language a segment speaks so you can make your message unique.

**Demographic segmentation** groups customers based on shared statistical similarities. For example:

- Age
- Gender
- Education level
- Occupation
- Income
- Family size
- Religion

**Psychographic segmentation** groups customers based on their everyday life, daily activities, likes and dislikes, and needs.

Examples include:

- What activities do they participate in?
- What are their likes and dislikes?
- What are their needs/wants?
- What is their lifestyle?
- What do they care about?
- What is their experience?

**Geographic segmentation** groups customers based on location:

- Country
- Regions
- Cities
- Postal codes

**Occasional segmentation** groups customers based on the different occasions when customers plan to actually buy or use a product. For example, going on vacation, meal times, or going back to school.

**Cultural segmentation** can give you better insight about a customer based by understanding and valuing the customers culture.

You might find there are many different customer segments to choose from. However, you should be smart

when deciding which segments to target. A **viable segment** is one where:

- Buyers have money.
- Buyers pain is eased or fixed by your product.
- Buyers have a sense of urgency.
- Buyers are close, easy to target.

Once you have identified customer segments, the next step is to create **customer personas**, or profile, representing your ideal customer. Customer personas are imaginary individual customers, not broad categories of customers. Customer personas help marketing agents create content that is more personal to its target market making it feel like is for that individual instead of mass made for 1000 different people. Your customer persona will have a name and is the ideal customer that you're trying to sell to and make happy.

## Marketing Channels

**Marketing channels are the pathways of communication to your customers, to let them know about your product and its benefits.** Some channels may be overused and may not give you the best results, so it's important to test different channels to find the one or two that work best for your target market. For example, teenagers may best be communicated with through an ad campaign on Instagram, but if you're selling to Elders, the best channel to reach them may be word of mouth or the local radio.

### Word-of-Mouth

Reaching your customers through other customers who recommend your business or product. Because the message comes from someone a potential customer trusts, it's the most powerful way to reach customers.

### Partnerships

Partner with other companies who can help you reach customers. Usually, these partnerships are beneficial for both partners.

### Email

This is a great channel to get in touch with your customers and to highlight new products and services.

### Direct Mail

Real mail that companies send directly to your door. This is a good way to reach people in their homes though it has become less popular in recent years. It can also get expensive as postage prices increase.

### Social Media

Tools like Facebook, Instagram, Twitter, Pinterest, Snapchat, and LinkedIn. All of these platforms have specific products and strategies they offer to help you reach customers.

### Website

An online platform to share all of the information about you, your product, your brand, and what you stand for. You can also have a blog on your website to share ideas and stories about your company.

### E-commerce

Either through your existing website or by creating a separate website, e-commerce is a way to sell your products online.

### TV / Radio

This allows you to reach a larger audience within a specific geographical region. Usually, ads are placed in between programming.

### Print

Print advertising consists of newspapers, magazines, and flyers.

### Cold-Calling

Calling customers you think fit your market segment and speaking to them about buying your product. This works best when selling to other businesses.

### Merchandising

Selling your product on retail store shelves. Merchandising activities include giving away samples, providing product demonstrations, and promoting special offers.

## Supply Chains

A **supply chain** is a system of people, organizations, activities, and resources that work together to get a product or service from source all the way to the customer.

Supply chains start with raw materials. **Raw materials** are the basic materials used to make a product. Raw materials are then transformed into products by a manufacturer. **Manufacturers** are the businesses who turn raw materials into products. Manufacturers then sell products to suppliers. **Suppliers** are the organizations that buy products from manufacturers in bulk and sell those products to other businesses. The suppliers then sell the products to retailers (stores), or they might sell the products to a distributor. **Distributors** are companies in charge of moving goods to different stores. The stores, finally, sell the products to the consumer.



### Make The Products Yourself

Making a product yourself involves you, the business owner, finding the raw materials and creating your product yourself. This is called **internal manufacturing**. Common examples of the type of small business

that can manufacture its products internally include sculptures, jewelry, arts and crafts.

### **External Manufacturing**

**External manufacturing** is when you work with a manufacturer to make your product. This can be done locally or overseas.

### **Wholesale**

**Wholesale** means buying ready-made products from suppliers or manufacturers at a discounted rate, and then reselling it at a higher price either to consumers or to other retailers. These products likely already have their own brand.

For example, your local Co-op purchases food items from known brands, like Kraft and Campbells. When they purchase these items, they buy them in very large quantities, at a discounted price. They then put these items on the shelves in their stores for you to purchase at a higher price.

### **Dropshipping**

**Dropshipping** is when your products are made by a dropshipping partner, only when they are ordered by the customer. This is usually done through online stores. When an order is placed through your business, the order is sent directly to your dropship partner. They then produce it and ship the product to your customer on behalf of your company. As a business owner, this means that you don't need to order any inventory ahead of time, you don't need to make the product, and you don't need to take care of the shipping either.

### **Sourcing**

**Sourcing** is the process of finding the products you're going to sell.

**Domestic sourcing** means buying your product domestically or in your country, in this case Canada.

**Overseas sourcing** is when you purchase a product in another country, for example, China.

For more information on the supply chain, to see the pros and cons of each way to source your products, and for tips on how to approach a supplier, go to Chapter 8 of the Student Guide.

## **Distribution Channels**

**Distribution channels** are the different ways you can get your products to customers. You can sell your products directly to customers, or you can sell them to other businesses which they then sell to customers. Below are some of the different ways you can sell your products.

### **Storefront**

Selling directly to your customers by having your own physical location that you operate and sell from. This could be your own store, a storefront, space that you rent from another building, a mobile cart, etc.

### **Online store**

Selling online removes middlemen while allowing you to reach large groups of potential customers. You can run your whole business through your computer or tablet, removing a lot of overhead costs that traditional businesses have such as hiring cashiers to sell in a store.

### **Selling to other stores/individuals**



Selling products in bulk to other stores or individuals (wholesale), who will then sell your products to their customers.

## Pricing

Pricing a new product is an essential part of your marketing strategy, and your finances. The price for your product is more than just number you put on a label. Pricing influences your positioning strategy and determines whether you will be able to run profitability.

Some basic rules of pricing are:

- Price must cover costs
- The best way to lower prices is by lowering costs
- Prices should be reviewed regularly to make sure you are responding to the market
- Your marketing strategy should reflect your price

When setting your price, the first thing you need to consider is how much making and selling your product or service costs you. Your costs can include:

- Item cost (the cost of the item you purchased)
- Labour time (time spent making the product)
- Shipping (how much it costs for the item to get shipped)

## Pricing Strategies

### Premium Pricing

The strategy of **premium pricing** is to set your price higher than the competition. This strategy is good to use when what you are selling is very unique and of very high value in comparison to competitors. If you use a premium pricing strategy, make sure that your customers perceive **enough value in the product** to pay the extra amount.

**Example of Premium Pricing** - Luxury brands like Gucci or Louis Vuitton can price white t-shirts like these at very high prices because they are brands that people perceive of being high value.

### Penetration Pricing

The strategy of **penetration pricing** is to set your price low at first to attract a lot of customers. Once you have enough customers, you then raise your price.

**Example of Penetration Pricing** - For a long time, movie rental stores like Blockbuster were the only place you could go and get a movie without having to buy it. When Netflix joined the market, they developed a new model for 'renting movies' that was cheaper and more convenient by shipping movies directly to the customers home and by offering online streaming services. To convince loyal Blockbuster customers to start using their new service, Netflix rented movies for as low as \$1 per DVD. Through this pricing strategy, Netflix acquired many new customers. Since then, Netflix has taken over the movie industry and raised their subscription prices.

### Price Skimming

The strategy of **price skimming** is to set your price as high as you can for the customers that are willing to pay a lot for your product, and then you lower it as time goes on to get more customers who are willing to pay less and less. It is the opposite of penetration pricing.

**Example of Price Skimming** - Technology companies often use a price skimming strategy when they launch new products. Think of Apple. When they launch a new model of the iPhone, it is usually very expensive. As time goes on, and as newer models are released, they start to lower the price. This usually goes on for a few years.

### Economy Pricing

The strategy of **economy pricing** is to minimize costs as much as possible to offer the lowest price in the market. Having very low prices attracts a large number of clients.

**Example of Economy Pricing** - An example of economy pricing would be an online store like Amazon. Amazon doesn't have any physical store fronts - only warehouses. Amazon can keep the cost of their products low because they don't need to take on any costs that come with owning a store like rent, electricity, and store employees. The money they save this way allows them to keep costs down and discount products for the consumers.

### Psychology Pricing

The strategy of **psychology pricing** is to make the price of a product more attractive by making it look a bit cheaper. For example, it has been proven that changing a price tag of \$100 to \$99 can increase sales. Even though it's a very small change, it creates an illusion that the price is "less than \$100", making it easier for customers to make their purchasing decisions.

### Bundling Pricing

The strategy of **bundling pricing** is to lower the total price for customers who buy many products together, rather than what they would pay if they bought each product separately. This strategy makes your customers see more benefit in buying your product, since they are getting a deal.

Use this strategy if you are selling products that go well together. For example, a restaurant could create a package for a meal, a drink, and a dessert.

## Customer Relationship Management

### Inspire Nunavik Sales Process

1. Know everything about your product or service
2. Research your customers
3. Create and deliver marketing strategies

4. Identify potential customers
5. Engage with potential customers and close the sale
6. Re-engage with your customers, re-sell, and up-sell

For more information on the sales process, go to page 220 in the Student Guide.

## Financials

### Financial Statements

As an entrepreneur, understanding your financials is crucial for your businesses' success. A financial statement is a standardized way to organize your company's finances and assess how the business is doing. Financial statements help you answer questions like:

- Am I making money?
- Am I spending more money than I'm earning?
- How long will I stay in business doing the same thing?
- Will I be able to pay the bills next month?
- Do I need to raise prices?
- Am I on track with my strategy?
- Am I in good financial health?

### Balance Sheet

The balance sheet is a snapshot of your financial position at a specific point in time. A balance sheet compares your assets (what you own) to your liabilities (what you owe) to get your total owner's equity (what is leftover). The essential equation for the balance sheet is

$$\text{ASSETS} - \text{LIABILITIES} = \text{OWNER'S EQUITY}$$

### Income Statement

The income statement shows you your revenues versus your expenses during a certain period of time, regardless of when cash is exchanged. The income statement shows revenue (money you make), expenses (money you spend), and your net income (which is your revenue minus your expenses).

### Cash Flow Statement

The cash flow statement tells you when you have cash coming in and going out, usually on a month by month basis. It works well with the income statement because it does a similar assessment, but in a cash perspective. Cash matters the most, because if you don't have any cash to pay your employees or for your expenses, your company won't survive. It's also a good way to show projections for your sales forecast and is often asked for in grant applications.

For more information and examples of financial statements, go to page

## Bookkeeping

Bookkeeping is the activity of keeping records of the financial affairs of a business. It involves recording and classifying all of the financial transactions of a business on a day-to-day basis.

Financial transactions are all of the financial exchanges that happen in a business. Typically, every day, businesses engage in a series of financial exchanges with customers, suppliers, partners, and more. This can be by paying rent to their landlord, purchasing inventory from their supplier, selling products to their customer, paying for legal fees to their lawyers, buying ads on Facebook and Instagram, or anything else that involves exchanging money for some sort of value in order to run their business. Bookkeeping is important because it helps you:

- Keep accurate records of financial information for your business
- Better understand your financial position (ie. how much money your business makes, your costs, your assets, etc.)
- With tax purposes:
  - Keeping organized financial records is very important for tax filing
  - It decreases your chances of an audit
  - If you do get audited, it limits the pain of the audit

For more information on bookkeeping and accounting, go to page

## Assessment Overview for CCD

### Overall Strategy

#### Students will be able to

- Explain the expectations and learnings of the CCD Modules
- Use various online and digital platforms to communicate learning
- Identify and achieve individualized Critical Skills benchmarks

#### Process

Although students will drive the direction of the project, it is the teacher's responsibility to manage the process and frame expectations for communication and assessment. Prior to choosing a project, students must understand what is expected of them in terms of skill development and deliverables, and through what medium(/media) they will communicate to demonstrate, reflect upon and share learnings.

#### Communication

Explore the following with your students:

- Google Drive and Google Classroom - to share documents and links, send out reminders and other notifications, and assign tasks
- Digital Tools - cameras, video equipment, laptop, SD card etc.
- Workplace - for instant messaging and sharing with KI schools

- Wordpress or Medium - to share with the wider (global) community  
[www.wordpress.com](http://www.wordpress.com) / [medium.com](http://medium.com)

## CCD Deliverables

Deliverables differ depending on the age range of the group and/or programme type. However, in all cases students are assessed on their engagement throughout the programme based on their reflections and your feedback.

### Secondary students are expected to submit:

- Personal goal setting and self assessment of Critical Skills development
- 1 Multimedia Reflection per module (5 total).
- 1 Final Reflection about their learning journey - what they learned, how they grew, challenges, next steps. Includes a self-assessment.

## Multimedia Reflection Assignments

Multimedia assignments are to be completed throughout the course where students reflect on an experience they had in CCD. Students can choose when they do these assignments, and in what format.

These are created to be publically shared on Workplace - unless otherwise stated. Some possibilities include:

- Written reflection (500 - 700 words)
- Photo journal (10 - 20 photos that tell a story)
- Podcast (5 - 10 minutes)
- Vlogs (2-4 minutes)
- Infographic

### Notes

- Students can choose to do all assignments the same, but are encouraged to change it up
- Students can work alone, in pairs, or in a group
- Students may come up with alternative modes of presentation, but must discuss with their teacher
- To get a variety of experiences, students are asked to sign up in advance in a shared Google Document

## Module 4 Deliverables

Supply Chain  
Balance Sheet  
Cash Flow Statement

## Tools for Giving Feedback and Gathering Evidence of Success

Student Journals  
One-on-One Conferences  
Peer and Self-Assessment  
Checklists  
Rubrics

## Suggested Resources

Customer Persona Worksheet  
Intro to Sales Workshop  
Intro to Bookkeeping Workshop  
Cash Flow Activities  
Balance Sheet Activities  
Cash Flow Statement Template  
Accounting Exercise  
Supply Chain Workshop  
Make it or Buy it Activity  
Pricing Strategies Workshop

## Workshops and Lessons

### 4.1 Sales

Will we sell to consumers, businesses, or government?  
B2B vs. B2C  
1.5 hours

### 4.2 Marketing Channels

Who are our ideal customers?  
What types of channels will we use to reach our customers?  
How Do We Reach Our Customers?  
2 hours

### 4.3 Supply Chains

Where will your product(s) come from?  
How will you deliver your products to your customers?  
Will you need to hold inventory?  
How do you create a Supply Chain?  
2 hours

### 4.4 Financials

How do you organize the financials for your business?  
Financial statements: Balance Sheets and Cash Flow Statements  
2-3 hours

## 4.1 Sales

### Guiding Question

Will we sell to consumers, businesses, or government?

### Outcomes

Determine who the target customers are and the best approach to reaching and selling to them.

### Vocabulary

Sales

Business to Consumer (B2C)

Business to Business (B2B)

### Agenda

Warm Up exercise - 10 minutes

B2B vs. B2C - 1 hour

Debrief - 10 minutes

Next Steps - 10 minutes

### Warm Up

**Take This and Sell It:** Repurposing and adding value to everyday items.

1. Have students make small groups of 2-4 members
2. Place a number of everyday items on a desk (ie. headphones, marker, sunglasses, coffee mug, computer mouse, etc)
3. Have each group come up and select an item. Their goal will be to give this item a new purpose and try and sell it to the class. (Ex. headphones that become a mind reading device or sunglasses that allow you to read in a different language - be creative!)
4. Give students five minutes to come up with the following:
  - Name of the product
  - Purpose of the product
  - Value proposition
  - Price

- One minute sales pitch
- 5. Once five minutes has passed, have each group do their one-minute sales pitch. Questions from the audience are allowed after the pitch
- 6. As a class, discuss what product students are most likely to purchase and why

This activity is meant to be fun and lighthearted. Creativity and thinking outside of the box are encouraged.

### Experiential Activity: B2B vs. B2C

The purpose of this activity is to explore the difference between selling to consumers and selling to businesses.

1. Place students into four separate groups. Two groups will be selling furniture and two will be selling apparel.
  - Group 1 - Selling furniture (chairs, tables, couches) to businesses (B2B)
  - Group 2 - Selling furniture (chairs, tables, couches) to consumers (B2C)
  - Group 3 - Selling dress shirts to companies to be used as uniforms (B2B)
  - Group 4 - Selling dress shirts to customers online (B2C)
2. Give each group 15 minutes to come up with a strategy of how they would sell their product to their target market. They should specify:
  - Who exactly their target market is
  - Their value proposition
  - Their technique for reaching their target market
  - Their strategy to sell the products
3. Have each group present their sales strategy
4. As a class, discuss how B2B and B2C sales differ
5. Mention that there is a third type of customer: government. Ask students in what type of situation would they be selling furniture or apparel to the government. (Ex. Government is looking to furnish a new building, government is looking to give out free apparel to attendees at an event). How would the sales strategy differ when working with government rather than business or consumer?

### Debrief and Reflection

1. **What?** How did the sales strategies change when selling to consumers, businesses, and government?
2. **So what?** Who will be the ideal customer(s) for our social enterprise?
3. **Now what?** What will our strategy look like when selling to these customers?

### Next Steps

Students should now have a good idea of what customer group they will be selling their product or service. The next step is to define these customers in more detail and figure out how to reach them.



## 4.2 Marketing Channels

### Guiding Question

Who are our ideal customers?  
What types of channels will we use to reach our customers?

### Outcomes

Determine who the ideal customer is  
Determine strategies on how to reach them

### Vocabulary

Customer Persona  
Demographics  
Personality  
Goals  
Frustrations  
Traits  
Motivations  
Channels

### Agenda

Warm Up exercise - 30 minutes  
How Do We Reach Out Customers - 1.5 hours  
Debrief - 10 minutes  
Next Steps - 10 minutes

### Warm Up

**Customer Persona Worksheet:** Who are our ideal customers?

1. Bring up the [Customer Persona Worksheet](#) on the projector. As a class discuss the ideal customer and fill in each section.
2. Begin with demographics on the left hand side.
  - Demographics: Fill in information such as age, location and employment of your idea customer.
  - Personality: Slide the bars based on how you imagine the personality of your idea customer. This template is based off of the Myers Briggs personality test. You can get more information on this, and complete the test [here](#).
3. Next, in the middle section, have students describe the persona in a few words based on their personality, work ethic, motivations and priorities. Are they an energetic, outgoing, self-starter, or

a driven but disorganized introvert? Choose adjectives that help define how this persona differs from other users or potential customers.

4. Have students write down what the customer's goals are. What is the persona looking for in a product? Do they want something that is easy to use? A device or service that achieves a specific goal?
5. Then, write down customer frustrations. What is preventing your persona from achieving his or her goals? What concerns do they have? What are their frustrations with current solutions already available?
6. Next is the bio, which should be a short paragraph to describe the user journey. It should include some of their history leading up to a current use case. Highlight factors of the user's personal and professional life that makes them an ideal customer.
7. Finally, have students move to the right hand section of the template. Begin with motivations. What inspires the persona to take action? Are they motivated more by fear or growth? Achievement or power? Use the slide to shift percentages for each category.
8. Then, discuss what the user's favorite or most used brands are. Some of these brands may turn into, or already be your competitors. Either write down the brand names or upload their logos.
9. Finally, discuss how you are going to reach your target audience. Depending on all of the traits and information you just talked about, this will vary. For example, you won't advertise to an 80 year old grandmother on Twitter, just like you won't a 12-year old in the Wall Street Journal. Will use traditional ads such as television, radio and print? Online and social media using Facebook and Instagram? Word of mouth relying on referrals, recommendations and reviews? Or guerrilla efforts like experiential marketing and out-of-home advertising?

Students should now have a good idea of who their ideal customer persona looks like. Moving forward, they will investigate the best channels to use to target these individuals and how they can reach them in the most effective way!

### **Experiential Activity: How Do We Reach Our Customers?**

The goal of this activity is to determine which marketing channels the class will be using to market their social enterprise to their target market. Remember to keep in mind who the ideal customer persona is that was just developed as a class.

1. Split the class into 4-5 groups.
2. Give each group 2-3 types of marketing channels to discuss. Definitions of each channel can be found above in the Background Information.
  - Word-of-mouth
  - Partnerships
  - Email
  - Direct Mail
  - Social Media
  - Website
  - E-Commerce
  - TV/Radio
  - Print
  - Cold-Calling
  - Merchandising
3. Have each group come up with a strategy to reach their target market with each of their channels they are responsible.

4. Each group should then rate their channels from what they think will be most to least effective.
5. Have each group present their strategies and discuss which methods they think are most effective and why.
6. After each group has presented, as a class, determine the 3-5 most effective channels that the classes social enterprise can use to reach their ideal customers.

## Debrief and Reflection

1. **What?** What are the most effective channels for reaching our target market?
2. **So what?** Will it be required to use all of these channels? Which ones are necessary to reach this audience?
3. **Now what?** What types of strategies can be used for each of these necessary channels?

## Next Steps

Determine what the channels you will use to reach your customers are. Then, what strategies will be implemented in each of these channels to make sure you are efficiently and effectively reaching them?

## 4.3 Supply Chains

### Guiding Question

Where will your product(s) come from?

### Outcomes

Determine where the product will come from, where it will be sold and at what price

### Vocabulary

Supply Chain  
Internal Manufacturing  
External Manufacturing  
Wholesale  
Dropshipping  
Domestic Sourcing  
Overseas Sourcing  
Raw Materials  
Manufacturers  
Suppliers  
Distributors

## Agenda

Warm Up exercise - 10 minutes  
Creating a Supply Chain - 1-2 hours  
Debrief - 10 minutes  
Next Steps - 10 minutes

## Warm Up

**Personal Supply Chain:** Mapping out everyday products from raw material to the customer's hands.

1. Have students think about all of the raw materials and processes needed to create a common finished product. As an example, use a cup of coffee and read the following example:

*Think about when you drink a cup of coffee. Do you buy it at the store? Coffee shop? Brew it at home? It seems like you can get coffee just about anywhere these days, but there is a huge process (supply chain) in getting you the finished cup of coffee that goes on behind the scenes. Coffee is best grown in tropical climates, so it's likely that the beans are sourced from a country thousands of kilometers away. The beans have to be harvested, washed and grinded, packaged, shipped, and sold in stores or brewed in coffee in shops. In addition, the cup and lid also need to be manufactured from raw materials and shipped to their final destination. Advances in technology and transportation make coffee and other items available to people all over the world with what seems like little effort. But, the truth is that there is a lot of thought and work put in to find the most efficient and affordable way of getting the finished product to the customer.*

2. Ask students to pick an important product they use in their daily life.
3. First, by researching, have them write down all of the raw materials needed to create that product.
4. Then have them write down what the process looks like of taking those raw materials and creating the product they use today.
5. Finally, the students will determine how the company who produces that product gets it into the hands of the store or the final user.
6. Have the students map out the entire supply chain from raw material to the final product in the customer's hands.

## Experiential Activity: Creating a Supply Chain

The goal of this activity is for students to determine how and where their product(s) will be made?

Begin by showing this video on supply chain: <https://www.youtube.com/watch?v=AwemFfdD6VI&t=105s>

### Sourcing

1. Split class into four groups
2. Assign each group one of the following methods of sourcing products:
  - Internal Manufacturing (Making the product yourself)
  - External Manufacturing (Working with a manufacturer to make the product)

- Wholesaling (Buying ready made products from a manufacturer)
  - Dropshipping
3. If these are not applicable to the social enterprise the class is working on, feel free to do the same exercise with another example such as t-shirts or water filters
  4. Have each group explain the steps they would take to source their product and the pros and cons of their given method
  5. Allow time for each group to present their findings
  6. As a group, discuss which method would work best for the classes social enterprise (if applicable)

### Distribution Channels

7. Have the students return to their groups and assign each group one of the following:
  - Storefront (selling in your own physical location)
  - Online Store (selling through a website)
  - Selling to other store/individuals (selling your product in bulk to other who in turn, sell the product to customers)
8. Have each group explain how they would sell their product(s) using their given distribution channel, and the pros and cons of doing so through that particular channel
9. Allow time for each group to present their findings
10. As a group, discuss which method would work best for the classes social enterprise (if applicable)

### Pricing

11. Finally, split students into groups and assign each with one or two of the following pricing methods:
  - Premium Pricing (setting price higher than competition to show value)
  - Penetration Pricing (setting a low price to attract customers before raising it)
  - Price Skimming (setting your price as high as customers are willing to pay, then lowering it as you attract more and more customers)
  - Economy Pricing (minimizing costs as much as possible and having the lowest price in the market)
  - Psychological Pricing (making the price of the product more attractive by making it look less expensive. Ex. \$99 opposed to \$100)
  - Bundling Pricing (lowering the total price for customers who buy many products together)
12. Have each group explain how they would price their product(s) using their given pricing methods, and the pros and cons of doing so with that particular method
13. Allow time for each group to present their findings
14. As a group, discuss which method would work best for the classes social enterprise (if applicable)

## **Debrief and Reflection**

**1. What?** What was the best way to source the product? What was the best channel to distribute the product? What was the best method for pricing the product?

**2. So what?** Depending on our chosen method of sourcing; how will we create our product or where exactly will we get it from? Where in the community can we set up a store front, what will our online store look like, or what other stores will sell our product for us? How does our pricing strategy compare against our competitors?

**3. Now what?** What does our supply chain look like from start to finish? (What are all the steps it takes from producing the product all the way to getting it in our customers hands?)

## Next Steps

The class should now have an understanding of how they are going to make their product or where they will get it from, where to sell it, and what they should price it at.

If their social enterprise is service-based, they can still use this activity to determine where their service will be sold and at what price in comparison to their competitors.

## 4.4 Financials

### Guiding Question

How can we ensure our social enterprise is financially viable?

### Outcomes

Determine financial viability of the social enterprise

### Vocabulary

Asset  
Liability  
Expense  
Balance Sheet  
Cash Flow Statement  
Income Statement

### Agenda

Warm Up exercise - 10 minutes  
2 hours - Time  
Debrief - 10 minutes  
Next Steps - 10 minutes

## Warm Up

### Assets, Liability or Expense?

1. Begin by asking if students can explain the difference between an asset, a liability and an expense? Remind the students of the definitions.

*Asset: An asset is anything of value, that are owned by individuals, businesses and governments. It is a tangible or intangible resource that belongs to your business that can be converted into cash. Good assets grow in value over time, but some also lose value and depreciate. Some examples include: cash, inventory, land, investments and accounts receivable.*

*Expense: An expense is a cost that needed to be incurred to bring in revenues and profits for the business.*

*Liability: A liability is a financial obligation of your business. The most common example of a liability would be accounts payable. This account rises when a business purchases goods from a supplier on credit and pays on a monthly/yearly basis.*

2. Write down the following items and have students determine if they are assets, liabilities, or expenses.

1.	Car loan=Liability	Liability	Asset	Expense
2.	Dinner at a restaurant=Expense	Liability	Asset	Expense
3.	A paycheck=Asset	Liability	Asset	Expense
4.	The \$30 you were paid for babysitting=Asset	Liability	Asset	Expense
5.	Cell phone bill=Expense	Liability	Asset	Expense
6.	The \$20 that you borrowed from a friend=Expense	Liability	Asset	Expense
7.	You found \$10 on the floor=Asset	Liability	Asset	Expense
8.	A savings account=Asset	Liability	Asset	Expense
9.	A checking account=Asset	Liability	Asset	Expense
10.	Your hair dryer=Expense	Liability	Asset	Expense
11.	Rent=Expense	Liability	Asset	Expense
12.	Your CD collection=Expense	Liability	Asset	Expense
13.	Your fishing gear=Asset	Liability	Asset	Expense
14.	Credit card debt=Liability	Liability	Asset	Expense
15.	Weekly pocket money=Expense	Liability	Asset	Expense

16.	Groceries=Expense	Liability	Asset	Expense
17.	Television=Expense	Liability	Asset	Expense
18.	Rare baseball card=Asset	Liability	Asset	Expense
19.	The purchase of a chicken sandwich=Expense	Liability	Asset	Expense
20.	Birthday present for your sister=Expense	Liability	Asset	Expense

## Experiential Activity: Balance Sheets and Cash Flow Statements

In the [resources folder](#), you will find activities to teach about Cash Flow statements and the Balance Sheet.

## Debrief and Reflection

- 1. What?** Based off of the financials we've looked at, will our social enterprise be financially viable?
- 2. So what?** If not, what can we do to decrease our expenses or increase our revenue?
- 3. Now what?** Why are financial statements and accounting important for business owners?

## Next Steps

Now that students have gone through the steps of starting a social enterprise, they will learn how to measure their success and present it to others.

## 4.5 Reflective Assessment

Students will create a short Digital Story about the Module 4 experience, using all of the footage and notes that they have collected in the previous weeks activities. (50 minutes)

There are many ways that you can approach digital stories but the outcome for this class can be the following:

- 2-minute film's of spoken word, songs, drama, or documentary.
- Blog entry - journal style or photo journal style

The Digital story should not exceed 250 words in script, and should include a personal or community story. These will be written and recorded using classroom editing and desktop filmmaker tools, photos taken in class, and can include video, animation and music. Any external images included must be copyright free.

Develop the **specific criteria for success** for your students in these areas:



- Story outcome - length, media type, content specifics, topic
- Skills - use of digital tools, collaboration, communication

## Bibliography

- BYU Supply Chain (January 5, 2014) *What is Supply Chain Management?* Retrieved from <https://www.youtube.com/watch?v=AwemFfdD6VI&t=105s>
- NERIS Analytics Limited - *Free Personality Test*. Retrieved from <https://www.16personalities.com/free-personality-test>