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Program Support Notes

Grades 10 - Professional

26 mins

Small Business Management Series

Starting up

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Suitable for:

Business Studies

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Introduction

Small business is commonly considered to be the ‘engine room’ of a country’s economy. In Australia, small business comprises over ninety percent of all new jobs and ninety-nine percent of all businesses. Owning and operating a small business is not all smooth sailing however, as the majority of small business start-ups fail within the first five years.

To be successful there are important things that need to be considered. Do I have what it takes to start a small business? Do I understand the legal obligations that come with owning a business? What do I need to consider when choosing my business name? Can I create a niche market to sell my goods or services? Will I be able to make a profit?

This program will help you maximize your chance of running a successful small business by investigating these questions. You will hear valuable insights and personal success stories from small business operators - Pascale Menzies from Red Balloon Candy Artisans, and Annaliese van Oosterwijk from Raw Organique. Ari Moses, the Manager of Indigo Business Services, discusses the myriad of financial aspects that confront a small business owner.

The insights and solutions offered in this program will help you to avoid many of the pitfalls that confront small business owners, and will steer you on the road to success.

Program Timeline

00:00:00	Introduction
00:01:27	Do I have what it takes to start a small business?
00:06:30	Legal matters
00:11:16	Choosing the right name for your business
00:15:41	Your niche market – Selling yourself
00:20:27	Staying in Business – Making a profit
00:24:51	Conclusion
00:25:19	Credits
00:25:48	End program

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While Viewing the Program

1. What are the two main categories of business costs?

2. Banks will require you to provide “collateral” to secure a loan. What is meant by “collateral”?

3. Annaliese used three different strategies to keep her business start-up costs down. What were these?

4. What is the simplest business structure?

5. Why did Pascale Menzies of Red Balloon Candy Artisans choose to be a sole trader?

6. What is O.H.S.?

7. Who do you owe a duty of care to as a business owner?

8. Which of the following businesses would not be able to locate in a major shopping centre? (circle the correct answer)

Coffee Shop Video Store Metal Recycling Plant Pharmacy

9. Which of the following businesses are able to locate in a commercial zone adjacent to a residential area? (circle the correct answer)

Medical Centre Milk Bar Hairdressing salon Paint Factory Child Care Centre

10. What is BAS?

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11. Pascale Menzies, the owner of Red Balloon Candy Artisans, and Annaliese van Oosterwijck, the director of Raw Organique and owner of Curious Oyster, both created very unique names for their businesses. Why is it important to choose your business name wisely?

12. Ari Moses, Manager of Indigo Business Services, said you need to “press the flesh”. What does he mean by this comment?

13. Why do you conduct market research before starting your business? Give two reasons.

14. Ari Moses, Manager of Indigo Business Services said that using services such as accountants, lawyers and business advisors should be seen as a “business investment, not an expense”. What did he mean by this?

15. What were the four tips given to stay in business and make a profit?

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After Viewing the Program

1. Put the following businesses into the appropriate category in the table below

B. & P. Jones	Loan Sharks Pty. Ltd	Pam Smith Cleaning
Ben's Mowing	Peters and Peters	Crown Bros. Removals
Bev Short Cakes	B.D., T.D. & W.D. Blake	John Post Fencing P/L
Lang & Lang Ltd.	Jenny's Dog Wash	Brown Brothers Ltd

Sole Trader	Partnership	Company

2. Search the internet and make a list of the legal responsibilities involved in setting up and operating a company.
3. Visit a business in your local area, and interview the business owner regarding the advantages and disadvantages of the location of their business, then write a list of the responses under the headings of "advantages" and "disadvantages". Compile a class list of all responses, and draw up a summary of findings.
4. Create a new name for the business visited. Write a detailed explanation covering the reasoning behind the choice of name, and how you expect it will affect business profits.

Suggested Student Responses

While Viewing the Program

1. What are the two main categories of business costs?
Fixed costs
Variable costs
2. Banks will require you to provide “collateral” to secure a loan. What is meant by “collateral”?
An asset or security the bank can take over in the case of default on loan repayments
3. Annaliese used three different strategies to keep her business start-up costs down. What were these?
Annaliese avoided big start up costs by selling online, sharing a commercial space with a business associate, and purchasing goods on consignment
4. What is the simplest business structure?
Sole trader
5. Why did Pascale Menzies of Red Balloon Candy Artisans choose to be a sole trader?
Family history of sole traders; to keep control of his business
6. What is O.H.S.?
Occupational Health & Safety
7. Who do you owe a duty of care to as a business owner?
Business staff
Customers/clients
8. Which of the following businesses would not be able to locate in a major shopping centre? (circle the correct answer)

Coffee Shop Video Store **Metal Recycling Plant** Pharmacy
9. Which of the following businesses are able to locate in a commercial zone adjacent to a residential area? (circle the correct answer)

Medical Centre **Milk Bar** **Hairdressing salon** Paint Factory **Child Care Centre**
10. What is BAS?
Business Activity Statement
11. Pascale Menzies, the owner of Red Balloon Candy Artisans, and Annaliese van Oosterwijck, the director of Raw Organique and owner of Curious Oyster, both created very unique names for their businesses. Why is it important to choose your business name wisely?
Creates interest in your business, informs customers what product or service you are offering, and distinguishes your business from competitors in the market place
12. Ari Moses, Manager of Indigo Business Services said you need to “press the flesh”. What does he mean by this comment?
Attend business functions in person to meet potential clients or customers, to promote your business
13. Why do you conduct market research before starting your business? Give two reasons.
To determine if there is a demand for your product and to choose the right location for your business

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14. Ari Moses, Manager of Indigo Business Services said that using services such as accountants, lawyers and business advisors should be seen as a “business investment, not an expense”. What did he mean by this?

These service providers will save you a lot of money in the long term by keeping you on track with your finances and business goals, and assisting you to comply with all the laws governing business owners

15. What were the four tips given to stay in business and make a profit?

Have a business plan

Maintain the paperwork

Seek professional advice

Be flexible