

It's My Business

Lesson #4 – I Have an Idea - Auction

1. **Distribute nametags and shake their hands.** (Model business etiquette, strong shakes, good eye contact, place nametag on the right chest for easy viewing while shaking hands.)
2. **Review the JA Poster** – Remind the students of the commercials and how they had to become experts on their teen center and get to know their customers. Today's activity will provide an opportunity to further explore the entrepreneurial characteristic **Be Creative and Innovative**.
3. **Teaching – Now that we have our teen center ideas, how do we get it funded to make it happen?**
 - a. Write up a business plan to make it happen – We will talk more about this in another session.
 - b. Where do you think most people get their businesses financed?
 - i. If you said the bank, you were wrong
 1. Personal Savings
 2. Family and Friends or some sort of angel investors, silent partners
 3. Credit Cards – (Explain how this is a particularly bad option)
 4. Then the banks or venture capitalists (Remember Shark Tank?)
4. **Activity – Auctioning off Companies**
 - a. Separate you students into groups of four
 - b. Explain the ground rules of the auction of the instructor manual.
 - a. Each bidder will receive one sheet of \$1,000 JA Money worth \$10,000. If you think you have enough money for \$20,000 per team, go for it. I would have the money separated ahead of time so you can start the auction sooner.
 - b. Each Auction Product Tent Card contains three clues about the business.
 - c. After the auctioneer shares all three clues, students can begin bidding.
 - d. Students must raise their hands to register a bid. (You might want to designate 1 bidder per team so they have to have a group decision when they bid).
 - e. Following each sale, the business owner will reveal the identity of the business and have the winning group read aloud the information provided on the Tent Card.
 - f. Record how much each team spent for each company and let them know how much the company is worth now. (See additional attached sheet).
 - g. At the end of the auction, tally up the net worth of each group. The group that has the highest net worth wins.
- **We never said that teams couldn't go together to buy companies to try to win. If they figure that out, let it happen and discuss that is how some companies get started. If someone talks about using their money to get a bank loan – roll with it and give them more money. Explain that the bank usually will only finance 75% of the deal, so 25% the business has to invest. \$10,000 could be leveraged into \$40,000.**