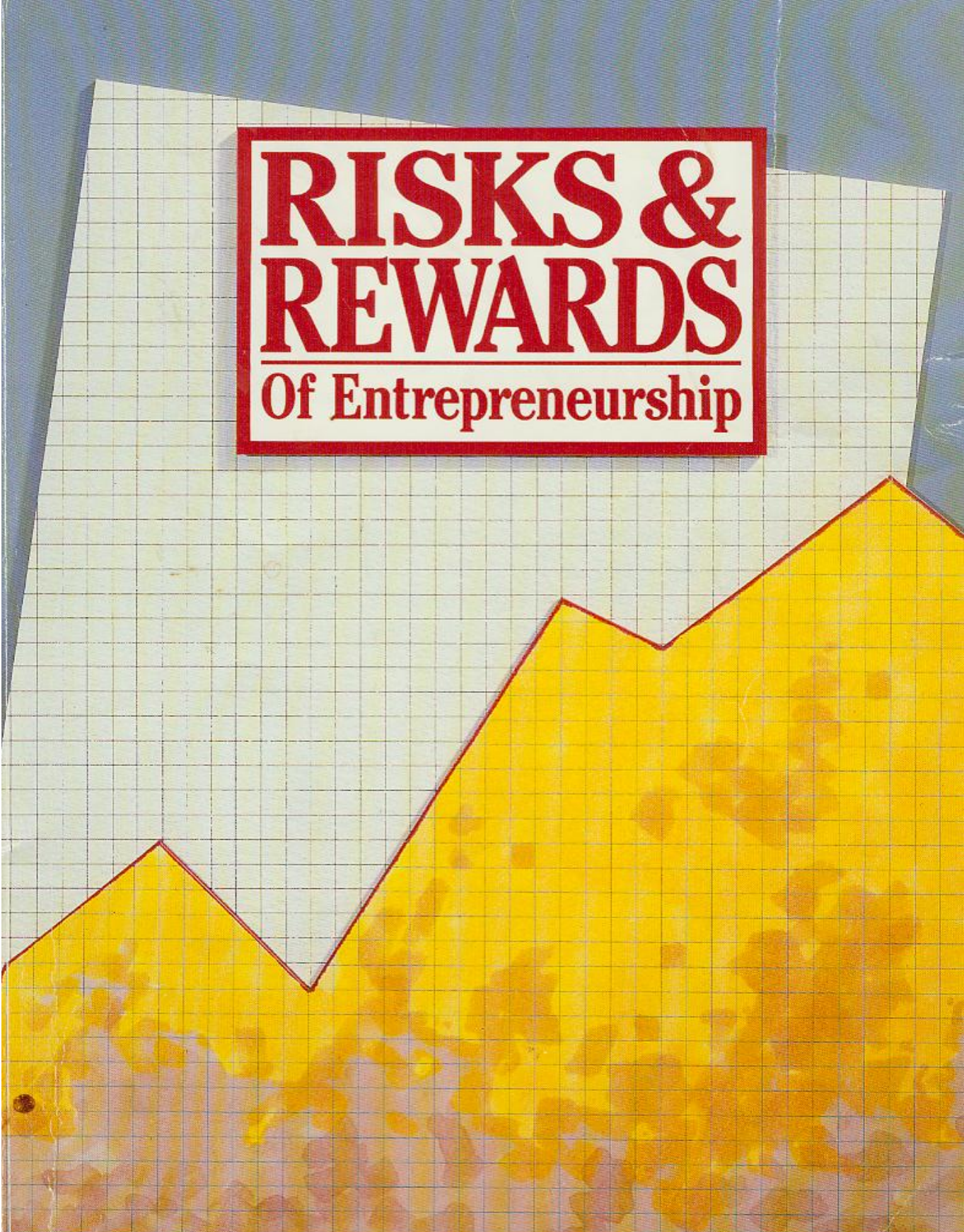


Section 3

What Type of Business Could I Start?



**RISKS &
REWARDS**
Of Entrepreneurship

Section 3

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Section 3

What Type of Business Could I Start?

Completing this section will help you—

- * identify types of businesses related to your area of vocational training
- * identify a business you might start based on your interests, skills, and hobbies
- * identify a potential business idea
- * assess the business needs of the community

"Perhaps imagination is only intelligence having fun."

—*George Scialabba* in *Harvard Magazine*

What Is This Section About?

Up to now, you have looked at your personal potential to start a business. However, a successful business is not built on personal characteristics alone. In this section we will consider the business ideas and concept of innovations and creativity.

What Is a Business Idea?

A business idea is the combination of a person's experience, skills, market (customers), and product or service.

A business idea can be original (McDonald's was the first fast-food restaurant), an improvement on someone else's idea (Wendy's), or the transplant of an idea from another community to your own (Famous Amos Cookies in California, Cheryl's Cookies in Ohio).

Can you name five unique or creative businesses in your community? Describe how each is unique.

Where Do You Get Your Business Idea?

What comes to mind when you think about an idea? Is it a light bulb overhead? **Ideas can come from thinking there must be a better way.** Business ideas also may develop from the following:

- ***Service needed by others.*** You may have developed skills or have an interest in an activity that someone would gladly pay you to do for them. For example, many people feel it necessary to see a hairstylist. A student who loves dogs could take care of the pets of families that go on vacation.
- ***Entertainment.*** Providing entertainment as a clown at children's birthday parties could become a business. Someone who enjoys singing might put together an act for a popular restaurant. Or what about offering an entertaining cooking class that people attend to have fun and learn?
- ***Marketing the products of others.*** Students who always enjoyed selling magazines or Girl Scout cookies might consider a business in which they promote and sell someone else's products or services. An individual could market Black & Decker tools or gourmet cooking equipment as an entrepreneurial enterprise.
- ***Repair services.*** Many people need the services of an electrician or auto repair person after all the shops and offices are closed. An enterprising person may choose to start a business that operates during off-hours. An entrepreneur might develop a pickup and delivery service for customers who need something repaired, but have difficulty getting to a repair shop except during "regular" business hours.
- ***New inventions.*** A student tired of using a certain shop tool because it is slow may invent a new tool that is more effective and quicker to use. A business could develop from that idea. An entrepreneur may take everyday articles such as scissors, knives, and even a wrench and convert them for use by left-handed people. Marketing products to this population could become a business.
- ***Extension of hobbies.*** A home economics student who has a hobby of buying silk scraps and making men's and women's ties and scarves may find there is a huge demand for such products. A food-services student who always seems to be a short-order cook at home may decide to develop a business out of this hobby.
- ***Interests.*** An agriculture student who has an interest in plants and reads all he or she can about plant diseases may start a business as a plant doctor. In addition, an aerobics exercise enthusiast may choose to start aerobics exercise classes for other people interested in getting in shape.
- ***Product improvement.*** An agriculture student who loves birds may discover that the usual manufactured birdseed does not attract as large a variety of birds as does the feed he or she mixes. Perhaps a gourmet feed business will be born. Who knows?
- ***New technologies.*** A business education student who develops skill in computer uses may decide to open a word-processing service or develop computer software with a computer at home.

'What Type of Business Could I Start?'

You probably have ideas for businesses that you never really thought about. Many of us are nervous with creative thinking because past recognition—school grades, parental approval, job reviews, and so forth—depended on having the right answer. **Learning how to be creative and generate ideas takes practice.**

For the purpose of creative thinking, select an object in the room such as a pencil, desk, milk carton, computer disk, thumbtack, wastebasket, or jacket. Write down as *many* different uses for that object as you can think of in 10 minutes. Do not judge your ideas, just write them down.

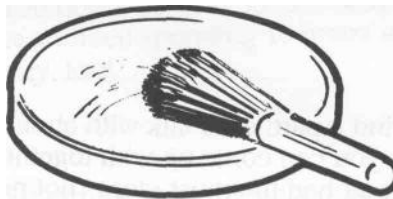
How many ideas did you come up with? Try it with another object and see if you can come up with more ideas than you did the first time.

What Business Ideas Can You Think of Related to Using Your Vocational Training?

Many entrepreneurs start businesses using their experiences. Thus, ideas often pop into people's heads from seeing things done poorly or from creating a new use for skills they are using on their present job.

Vocational education gives you a head start—both in moving into a job of your choice and in moving closer to finding an idea for starting your own business.

- Creative new businesses have been started by auto mechanics students who opened businesses outside of school. They found a market for those big, old cars that had quality, but needed repair to bring a high sales profit.
- Consider the cosmetology student who created a business by visiting nursing homes and providing beauty care for the aged. There was quite a need, no investment was required for a shop, and there were profits to be made.



- An ordinary business was made unique by an agricultural education graduate who also used the dairy farm as a "farm zoo" for families with small children.
- Several business and office students have paid their way through college by typing papers and reports. The need is there once you establish a customer list.
- What about the marketing education student who prepares newspaper advertisements for local merchants? The student lives in a small town that has no advertising agencies.
- Successful businesses have been started by home economics students who move their "restaurant" to a large plant or office building at lunchtime. Time and parking don't allow employees to go out for lunch, so the students bring lunch to the work site.

Most vocational programs lend themselves to creative business start-ups.
Sometimes we overlook the opportunity to be a job maker—not just a job taker.

Personal Profile 9



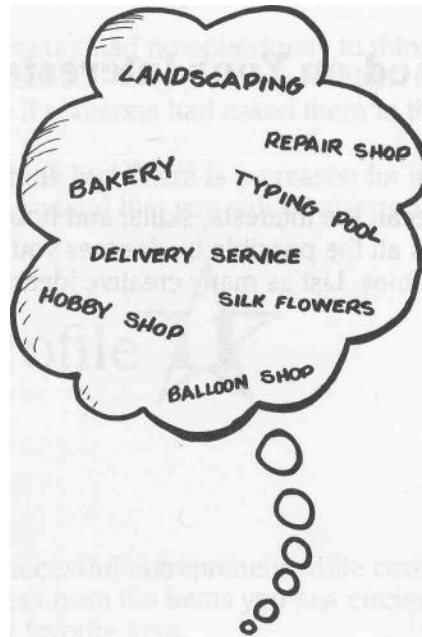
Business Based on Your Vocational Experience

Take time to consider some creative businesses in your vocational area. Think of all the possible businesses for which you might start using your vocational experiences as a base. Don't worry about whether you have the financing for this. This is your chance to dream on paper. List as many ideas as you can. Don't worry about how ridiculous they may seem. Just let your imagination work freely.

After you have your list, find a partner to talk with about your creative ideas. See how many different ideas you can come up with together. The entire class may wish, then, to see which pair had the most ideas (not necessarily the best).

'What Type of Business Could I Start?'

How Can Interests, Skills, and Hobbies Lead to a Business Idea?



Entrepreneurs are enthusiastic, positive people who love what they are doing. In fact, most of them say that the thrill of making their idea successful is more important than how much money they make. Many are willing to work for next to nothing just to be able to be the boss in a business they really enjoy.

So, the things you have liked doing all your life are natural opportunities for business creation. Imagine yourself spending 10 hours a day in your favorite activity—and making money, too!

For example:

- Collecting butterflies and turning them into decorative items
- Hiking through the woods offering guided tours
- Refinishing furniture
- Farming and selling produce
- Arranging flowers
- Repairing small engines such as lawn mowers
- Making and selling crochet or needlepoint items
- Baking cakes and pastries
- Planning parties
- Creating the makeup looks for individuals on special occasions
- Framing and selling your photographs for profit that you take and develop for fun

'What type of Business Could I Start?'

Personal Profile 10



Business Based on Your Interests, Skills, and Hobbies

Take a few minutes to recall the interests, skills and hobbies that you identified in section 2. Think about all the possible businesses you might start using your interests, skills, and hobbies. List as many creative ideas for business ventures as possible.

Compare the two lists of business ideas you developed in Profile activity 9 and this profile. Are there any businesses on either list that combined both your interests/skills/hobbies and your educational experience? Circle them on your lists.

What Business Might You Start Someday?

Most of today's entrepreneurs had no opportunity to think about starting a business when they were in high school. They probably wouldn't have believed it possible to be where they are today if someone had asked them to think about it.

This is your chance to think big! There is no reason for you to limit your career options right now. Let's pretend that you will be able to start your own business sometime in the future.

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My Business

Envision yourself as a successful entrepreneur while completing this activity. Pick your favorite business from the items you just circled. Answer the following questions based on your favorite item.

1. What is the name of your business?

2. What kind of business is it?

3. What makes your business the best?

4. Where is your business located-at home, downtown, in a suburban mall?

‘What Type of Business Could I Start?’

5. What kind of customers are attracted to your business? Do you sell a product or service to homemakers, working women and men, children, music lovers, mechanics and so forth?

6. How is your business related to your vocational area of study?

7. Do you use any of your aptitudes or interests in your business? Which ones?

8. What are your total yearly gross sales?

9. How many employees work for you?

10. What hours is your business open?

Why Should You Know about Your Community?

Every business succeeds or fails depending on the needs of the surrounding area. The type of business depends on the size of the area ... but whether it is a manufacturer, a retailer, or a service business, pleasing *enough* customers is what business is all about. How do you think a woolens store would do in southern Florida, for example?

It's not enough to have a great idea for a business. You must have a reason to believe that people need your product and will want it instead of the competition's items. Smart business planners know all about their community.

Let's be business planners by thinking about the important characteristics (or demographics) of your area. Define your *market area* by determining how far you would travel as a customer to benefit from the business you are considering.



How Large is Your Community?

Each business planner must decide what the market area for his or her product or service will be. The market area refers to the distance a customer would travel to buy from you. The market area varies with the type of product or service you offer. How far would you go to buy a loaf of bread? A pair of shoes? A new car?

Procter and Gamble, manufacturer of products such as Crisco and Jif peanut butter, often considers customers across the entire country. In some cases, this company considers its market area as being the world. Wendy's began business in Columbus, Ohio, but as it grew, its owners had to learn about many other communities. Wendy's market area has grown very large.

Why Should You Know about the People?

Business planners always consider important population characteristics, or demographics, of a market area. Information about the people who live in your market area can be obtained from marketing surveys. Such surveys present all sorts of information gathered on people, usually in statistical form, such as age, sex, income, family size, etc.

Continued on Next Page

Information can be gathered in various ways—from written questionnaires, telephone interviews, or computerized data, for example. The U.S. Bureau of the Census is one government agency that collects information on citizens of the United States in its survey every few years. However, a potential entrepreneur may be more interested in a marketing survey such as the one compiled annually by *Sales And Marketing Management* magazine.

Called the *Survey of Buying Power*, this document **can be** found in the main branch of your library or in a university or college library near you. Call ahead to make sure it is there before going to the library. This reference book gives up-to-date information on such population characteristics as income, age groups, and number of individuals in specific ethnic groups, and regional, state, metropolitan area, county, city, and suburban population information.

Why Should You Know about Competition?

If your business sells products or services that are similar to those of another company, your business will be competing for customers in the market area. You will be interested in obtaining and keeping a certain market share. **Market share refers to your part, or share, of the people who will demand your products or services and buy from you instead of your competitor.** Imagine the market area as a pie. Your market share could be three large pieces worth of the entire pie.

You will want to know about your competition to successfully keep your market share. The following questions are a guide in starting to learn more about your competition.

- What sort of products or services does your competition sell? Are they exactly like what you sell, or different? How are they priced? How is the quality of their products or services?
- What types of customers does your competition attract? Are they the same people who come to you? Are they older or younger than your potential customers?
- Where are these businesses located? Are they in the downtown area or in a suburban mall? Are they close to a fast-food strip, or are they in a warehouse district? Is your competition located geographically close to your proposed site? Which site promises to be more convenient to the customers you wish to serve?
- Which businesses seem to be doing well? Can you tell why? How long have they been around? What is their business record?

Knowing your competition will help you make decisions regarding your business. If there are seven bakeries in your area that all make desserts, you may decide that you will sell some desserts, but that you will bake all different flavors of bread. A creative businessperson can develop many ideas to compete successfully with similar businesses. For instance, he or she can change the price charged, offer additional services, or have an easier location to reach. Knowing your competition will help you know your business and how to make it popular with the customers.

Why Should You Know about Changes in Your Community?

Finally, successful entrepreneurs anticipate and react to change. In fact, the real advantage of sma } } business is that it can change more easily to meet the opportunities for success than can a large business.

Some kinds of change that a business planner who thinks ahead needs to know about include the following:

- How is the **population changing** in the area? Is it growing older? Are young people moving away? Are people getting married or being divorced?
- What kind of **business is coming into the area?** How many new jobs will be provided? Are employees skilled or unskilled? Will they be from the area or will they move in from different areas of the country?
- What kinds of **businesses are leaving the area or failing?** Is unemployment increasing? Is it already a problem?
- What businesses are needed because **more women are working?** What can you do for them that they will no longer have time for?
- What do people in the area like to do with **their leisure time?** What types of recreational areas do you have in the area? What hobbies seem to be popular in the area?
- What **new technologies** are being used? Are personal computers being used? Are the hospitals using new medical equipment?
- How does **transportation** help or hinder local business? How are the highways? Are there city buses with easy access to destinations? Is the area spread far apart and connected by highways?
- What is happening to **change whole neighborhoods or major sections of the community?** Do people shop downtown? Are there popular suburban malls? Is there a fast-food strip? Is new industry coming in? Is government housing going up?

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Market Area Changes

Focus on the market area for your future business. Evaluate each change in your market area. Indicate whether you see each change as positive (+) or negative (-) for your business. Explain your reasoning.

'What Type of Business Could I Start?'

**What is Happening in
My Market Area (or what
Might happen soon)**

**Will It Help (+) or
Hurt (-) My Business**

Change

Population
Change

New
Business

Businesses leaving or failing

More Working Women

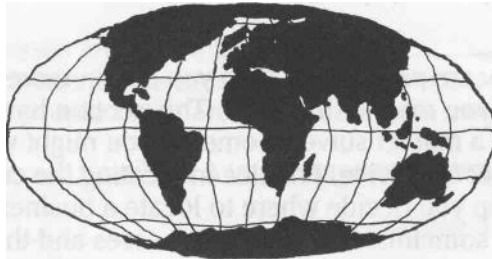
More Leisure Time

New Technologies

Transportation

Change in neighbor-
hood or major
Community sections

Why Should You Know about Foreign Business?



There are over 300 countries on this globe that can provide customers for your products or services. Because you have never been there, it is hard to think about these faraway places as a source of customers for your business idea. For example, China has a population four times the size of the United States. This huge market is just learning about American fashions, Coca-Cola, and apple pie. Doing business with other countries will require that you learn more about their customs, language, and ways of doing business, as well as the process of *exporting*.

Another way to do business with other countries is to buy their products to sell in this country. Such *imports* are growing every year because Americans are impressed with the uniqueness or comparatively low price of foreign products. As the world establishes more and more business connections, there will be unlimited new business opportunities for entrepreneurs.

You may even wish to develop a copy of a foreign product or service to sell in your own area. Sushi, for example, is a Japanese seasoned rice entree often served with raw fish that has become popular in the United States, and now is actually produced in the U.S. Opportunities for such *import substitution* are only as far away as your imagination and your knowledge of countries around the world.

What Sort of Business Might You Start Someday?

In this section, you have thought about what sort of business you might someday like to begin. You learned about the factors an entrepreneur must consider in beginning a business and the changes that can occur in the market area.

You also have read about how a business idea develops. Certainly, it takes practice to be able to come up with new and creative ideas. Vocational education and training definitely help in developing business ideas for potential entrepreneurs. Vocational programs teach students skills and aid in providing actual job experiences. These can later be the springboard to a creative business idea.

The personality of an entrepreneur is usually enthusiastic and positive. These individuals love the work they do and have been able to make their businesses popular and successful.

Before you consider beginning a business, be aware of the demographics of the market area in which you are interested. Awareness of trends and population characteristics will help you plan your business more effectively. Remember, the whole world can be your market.



Activities

The activities that follow are provided to help you obtain more information on the types of businesses you may wish to start. This section has activities to help you learn how to create a market survey. Someday you might wish to check on the demand for a product or service. Practice in locating the competition on a business map might help you decide where to locate a business. The exercises in understanding changes sometimes faced by businesses and their reaction to such changes should help you in thinking ahead.



Word Scramble

Assessing the Business Needs of the Community

Instructions: Check your understanding of the terms used in this section by completing the following sentences. Unscramble the letters and write the correct words in the spaces.

In addition to having a great idea for a business, you have to have reason to believe that people will MDAEDN' _____ your product or service instead

of that of the MCPOTTIENOI² _____. It is necessary to consider the important characteristics of population, or MRIDOGPECASH³

Certainly, you should have plenty of information about the SCTURMESO⁴

_____ to whom you wish to sell your product or service. You will need to know the number of people in your market area, how many MLFIEAIS⁵

_____ there are, and the number of single adults. It might be important to know a breakdown of age groups. Of course you will want to know

CEIOMN⁶ _____ per capita and/or per family. A market survey

could include the MISCPAEON⁷ _____ that are the primary sources of jobs in the area. You should also know the level of UNECDTAOI⁸

_____ attained: what percentage of the population attended high school or college? Analysis of minority populations in the area should be included in the information on the community as well.

There may be other businesses like the one you are considering. You will need to

know about the MNOOCEIPTTI⁹ _____: the customers each tries to attract, their location, and whether they are good at what they do. How

CCULSSSEFU¹⁰ _____ are they?

Finally, successful entrepreneurs must be able to anticipate and react to ECANHG"

_____. You will need to know how the population is changing.

What kinds of businesses are entering or LIGEVAN¹² _____ an
area or failing? Are certain businesses now needed because more women are in the work

force? What do people in the area like to do with more free or SEUILER¹³

_____ time? Are a large number of people out of work or

PUENMOLYDE¹⁴ _____? These are just a few of the changes that

may be affecting your area.



Entrepreneur Interview Questions

Ask an entrepreneur of your choice the following questions. Based on the responses you receive, write a case study about her or him.

1. Where did you get the idea for your business?

2. Did your interests, skills, and hobbies lead to your business idea?

3. How would you define your market area?

'What Type of Business Could I Start?'

4. What do you feel is important to know about your customers?

5. What do you know about your competition?

6. What changes have affected your business?

7. What changes do you predict may affect your business in the future?

'What Type of Business Could I Start?'



Estimate

Choose a business in your town or neighborhood. Estimate what the market area is for the business. Phone or visit the manager of the business and ask him or her to define the market area. Write a brief paragraph about what you learned from this activity.

'What Type of Business Could I Start?'



Business Map

List five competing businesses in your area. Draw a map of the business locations or mark their location on a city map. Is there a great demand for this type of business? Does it look like the market areas of the businesses are equally distributed?

'What Type of Business Could I Start?'



Fortune-telling

Describe the changes that will occur in the fast-food industry by the year 2005. How will these changes relate to the society of those times? Determine how you could incorporate those changes into a business.



Utilizing Opportunities

Instructions: The one thing for sure is that things will always change. Entrepreneurs thrive on change. Peter Drucker suggests that the only way to stay ahead of the rest of the world is to find new and better ways to provide products and services. List at least one possible invention or new business idea for each of the following opportunities.

1. An unusual event, such as the Olympics being held in your hometown.
2. A difference between the way things are and how they ought to be, such as working mothers not having enough time to meet their responsibilities.
3. The need for a different way to do something, such as an easier way to exercise your pet.
4. A change in the market or industry, such as a fad of bicycle racing.
5. Signs of demand changes, such as an increase in foreign foods sales (e.g., McDonald's Chicken McNuggets Shanghai and Mexican fast-food restaurants).
6. Changes in people's attitudes, such as stricter drunk driving laws.
7. New knowledge, such as medical advances that help people live longer.



Innovation

Instructions: Invent a new product or service. List features (facts) and benefits of your invention below, then give a sales demonstration on it to the class.

Product of Service: _____

Features:

Benefits:



Field Assignment

Instructions: Go to a local department store and find five products that are being marketed to our country from other countries. Be sure products are from at least three other countries. Give possible reasons customers may choose to buy these products instead of American-made products.

Product:

Reasons:

1. _____

2. _____

3. _____

4. _____

5. _____

'What Type of Business Could I Start?'



International Markets Exhibit

Instructions: Using the space provided, develop a plan for an exhibit that will illustrate the market needs and cultural issues that Americans selling goods and services in a specific foreign country should consider. Choose one country and focus on the unique differences of that country. Consider the language, dress, rituals, religion, women's roles, and so forth. Implement your plan in a small group. Set up the exhibits in the school cafeteria and invite the entire school to review the exhibition.

Success Stories



As you read the following case studies, think about how these young successes developed their business ideas and how they were helped by their vocational education. Answer the questions that follow as thoughtfully as possible.

Name: David B. Hansley

Business Name: Hansley Burglar Bars Welding Service

Business Address: 4225 Kataenka Drive South
Jacksonville, FL 32209

Type of Business: Welded security devices

At age 24, David Hansley faces an uphill battle as he starts his welding business.

He has prepared carefully and expensively for this venture, taking basic welding and welding fundamentals at Westside Skill Center, Jacksonville, Florida, and welding technology at Jacksonville Community College. Additionally, he had several months of welding training in the service, at Naval Training Technical Center in California.

He's also held several jobs in production control and warehousing, shipping and receiving of aircraft parts. He's worked on construction jobs for water, sewer, and utility companies, laying and welding pipe. This work experience has taught him familiarity with local building codes.

David's job experience has also taught him that he will be able to go further if he's self-employed. Though he's thankful for the training these jobs have given him, he feels that "you never seem to benefit from all of the effort that you put in. No matter how much you do," he says, "they're only going to let you go so far."

As a young black trained extensively in welding, David felt "if I could do the job for them, there must be some way that I could apply these talents and be able to do the job for myself."

He even feels that being self-employed will give him a kind of security that he couldn't have working for someone else. "People's minds change," he notes. "You can be in a good position and think you've got it made, and the next thing you know, management changes and you're out."

He's aware that in his city, both homeowners and businesses are a growing market for welded security devices such as window bars and storm doors. He also knows that he's competing with older established companies in supplying this demand. "A lot of them have been established for 12, 15, and 20 years," he notes. Just starting out, he won't be able to work as fast or charge as much as these competitors.

'What Type of Business Could I Start?'

Lack of capital is another hurdle. Security welding is an area that he can go into in a small way and build up. He says, "I've got to go into an area that I can afford to go into. I don't have \$2,000 to \$5,000 in the bank to be buying equipment."

Business zoning codes create a problem. To rent a shop or office in a building zoned for his type of business is too expensive right now. Therefore, David is looking for a piece of land that he can afford to purchase and build his own shop. When that is achieved, he can start advertising his service.

Future possibilities, as the business grows, are to branch into alarm systems and to produce welded items like garden tools for retail. Eventually he'd like to have shops in several different cities. David thinks he will have to return to school for some business courses and accounting. His warehousing job taught him the importance of good record keeping.

His goal is "basically to live comfortably," he says, "to supply my needs and my family's needs. I'm not trying to be Howard Hughes. I just want to be able to make it and not have to depend on someone else."

David thinks he's making about as much money as he made as an employee. The greatest difference is that he has less free time. When you're employed by someone else, he says, you're not the person "who is forced to sit right here at this desk and type all your reports."

What free time he does have is spent with his wife and their three children. David is a religious person. Much of his spare time revolves around his church. He believes his faith in God has given him "a lot of strength to overcome things that I otherwise would have allowed to be big stumbling blocks."

David is glad he made the choice to work for himself. "It's real shaky sometimes," he says, "but I would rather take the risk now than to wait until later or maybe not even do it and regret that I never tried. I've always learned that it is not so bad to fail, but the bad thing is not to even try."

David's advice to other young entrepreneurs is what was given to him: start small and work up. "You really do have to crawl before you can walk," he says.

Case Study Questions

**David B. Hansley Hansley
Burglar Bars Welding Service**

1. What was the chief reason David Hansley started his own business?

'What Type of Business Could I Start?'

2. In what way does being self-employed offer greater security than working for someone else?

3. David's advice is "You have to crawl before you can walk." How is his own business experience demonstrating this?

4. What advantage will owning his own building give him?

5. As a trained welder, David had the skills to start most types of welding business. Why did he choose security bars?

Name: Johanna Michelle Carlson

Business Name: J & R Café and Bakery

Business Address: Route 1, Box 222
Superior, WI 54880

Type of Business: Café, bakery, catering

Johanna Carlson started her own business because there were no full-time jobs available in the rural area outside Superior, Wisconsin, where she lived.

Johanna started baking and decorating cakes at the age of 15 to earn money. Her high school program at the Duluth Area Vocational Technical Institute was home economics. There she

'What Type of Business Could I Start?'

earned not only baking skills, but also how to work well with other people.

After high school, Johanna worked for a couple of bakeries before she decided to go out on her own. She saw the need for a bakery in her community. Says Johanna, "People who lived outside Superior had to drive to town for fresh bakery products."

Johanna was independent, had more than her share of common sense, and was determined to succeed. She leveled her savings, cashed in IRAs and CDs, obtained a bank loan, and opened her business at age 22. •

She had a lot of help from her family. Proceeds from the sale of their home helped finance the business. Seven members now work for her, including her husband, who also handles the household responsibilities when she can't be at home. In addition, Johanna was helped and supported by the instructor from her vocational school and the president of her bank.

J & R's Cafe seats 50 people, serving hamburgers, sandwiches, and fried foods. The bakery delivers to grocery stores, restaurants, resorts, and gasoline stations. Catering can be handled at the cafe or away. Johanna says, "They can select the food or we will plan the menu ourselves." She feels that what separates her from others in her field is the pride she takes in her business. "It's my business signature," she states.

Running her own business has not been without problems for Johanna. Customers and employees alike felt free to criticize her, and many in the community devalued her business at first "because it was out in the country and they thought it would go nowhere." She has learned to deal with expense control, reduced payroll, menu changes, opening and closing schedules, waste control, overstocking, soaring insurance rates, and especially employees: "family employees, bad employees, lazy employees, employees who want to know what I will do for them, but not what they can do for me."

Johanna is successful because she believes in confronting her problems head-on. When something fails, she takes time to discover why, find the alternative solutions, and try again. Says Johanna, "I take failure, learn from it, put it in its proper perspective, and do it right the next time. I look at failure as one more challenge in life."

J & R Cafe and Bakery is a sole proprietorship. Sales for a recent year were \$150,000, and all profits were put back into the business.

Johanna says the everyday experiences in her high school program gave her the know-how, and, "Once I had that, no one could take it away." She describes herself as a hardworking, polite student who was curious about everything. In high school she says she did her own thing. "I didn't try to be a leader, and I know I wasn't a follower. I just wanted to be independent."

Case Study Questions

Johanna Michelle Carlson J & R Cafe and Bakery

1. What factors helped Johanna determine the type of business she would go into?
2. Johanna's business satisfies several needs and desires. What are they?
3. What aspects of Johanna's character and personality help her in running her own business?
4. What are some of the employee problems Johanna has had to deal with?
5. How does she view failure?

'What Type of Business Could I Start?'

Name: DeAlva Gratz Oakes

Business Name: Alma's

Business Address: 3771 West Andrew Johnson Highway, Morristown, TN 37814

Type of Business: Women's high fashion clothing store

DeAlva Oakes had a head start on owning her business. Her mother opened it when DeAlva was in school and she helped out in the store from the beginning. Says DeAlva, "My mother has been the key person in my life and my business. She is an extremely hardworking and dedicated woman (who) started the business and worked at getting it all together."

In high school, DeAlva participated in the home economics vocational program at Morristown/Hamblen High School-West in Morristown, Tennessee, where she teamed garment construction and was involved with fashion shows.

Following graduation, DeAlva attended the Fashion Institute of America in Atlanta, Georgia, majoring in fashion merchandising, in which she earned an associate's degree. While she felt the lack of training in such subjects as business management, small business accounting, computers, and personnel, DeAlva benefited from her training in public speaking, textiles and fabrics, merchandising, and buying techniques. She states, "I learned the importance of my personal appearance in public, an appreciation of fine-quality fabrics, and the need for budgeting."

With the help of a bank loan, DeAlva became a partner in her mother's business at age 23. Because she could not afford a professional marketing survey, DeAlva simply "assumed the needs were there." In her small community, she offers unique, high-fashion styles previously unavailable to discerning women of all ages. She also stocks accessories such as shoes, handbags, jewelry, and scarves.

DeAlva is aware that in order to succeed she must keep on top of other current trends such as home furnishings, travel, cuisine, and men's clothing. "It all interrelates and has an impact on fashion." She frequently travels to New York City, Dallas, and Atlanta on buying trips in order to survive in the volatile garment industry.

Alma's prides itself in customer courtesy. Says DeAlva, "My employees are trained to make every person who walks in feel recognized, welcome, and very special. I stress 'special' because that's what *we* are."

The business started with two employees and now has eight. Gross sales in a recent year reached \$450,000, and 70 percent of profits were reinvested.

As for the future, DeAlva says, "A pipe dream in retail is never to have a mark-down." Realistically, however, she hopes to expand the clientele, which will in turn increase sales and profits. DeAlva also wants to open a branch store in another suitable area.

'What Type of Business Could I Start?'

DeAlva enjoys the rewards of having her own business. She likes the control of selecting her own employees and merchandise, "being surrounded by what I truly love—women's fashion clothing," and knowing there are no limitations on her salary as long as the business continues to expand.

Case Study Questions

DeAlva Gratz Oakes
Alma's

1. Describe the influence of her mother in DeAlva's life.
2. What kinds of formal vocational preparation did DeAlva have for her work?
3. How does she stay up-to-date in an industry that is constantly changing?
4. What makes Alma's special in DeAlva's community?
5. To DeAlva, what are the rewards of being in business for herself?

The Think Tank

What Type of Business Could I Start?

Instructions: Summarize what you have learned in this section by answering the following questions. Keep this as a private journal entry to use in your future career.

- What is a business idea?
- Where do you get your business ideas?
- What business ideas can you think of related to using your vocational training?
- How can interests, skills, and hobbies lead to a business idea?
- What business might you start someday?
- Why should you know about your community?
- How large is your community?
- Why should you know about foreign business?
- Why should you know about the people?
- Why should you know about competition?
- Why should you know about changes in your community?