

Lemonade Stand

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Lesson Description: In this lesson, students will work together in small groups (4-5) to create a business plan to enhance their market. Students will learn that an entrepreneur takes the risk of bringing together resources to bring a good or service to the market in hopes of making a profit. Students will create an advertisement page and pitch their new innovative idea.

Grade Level: 2-5

Concepts:

- **Capital Resources-** Goods that are made by people and used to produce other goods and services. Examples of capital goods are tools, machines, and buildings.
- **Natural Resources-** Things that occur naturally in and on the earth that are used to produce goods and services.
- **Human Resources-** People who do mental and/or physical work to produce goods and services.
- **Goods-** Things that meet people's wants.
- **Services-** Activity that meet people's wants
- **Consumers-** People who buy goods and services to satisfy their wants.
- **Producers-** People who make goods and services.

Objectives: The student will...

- Identify characteristics of an entrepreneur using ranking activity.
- Explain that profit is the incentive for the entrepreneur.
- Analyze data to make informed decisions.
- Identify that an entrepreneur risks resources (natural, human and capital) to bring a new or improved product or service to market.
- Make economic choices to enhance sales.
- Create a business plan based around an innovative idea.

Time Required: 50 minutes

Materials Needed:

- Business plan
- Diagram of Farm
- Advertisement page
- Direction Cards
- Entrepreneur ranking cards
- Bell or timer
- Markers or Crayons
- Manila Folder

- Half a sheet of paper with the word, entrepreneur
- Pencil

Teacher Preparation:

- **Document Setup-**
 - The teacher will need to place all Business Startup Folder copies inside a manila folder.
 - The teacher will need to cut entrepreneur ranking cards apart and place them in a bag.
 - The teacher will need to print and cut scenario cards. These should be in halves.
- **Table Setup-**
 - First, place a bag of entrepreneur cards on each table.
 - After the entrepreneur activity, place manila folders with markers or crayons onto each table.
 - Place the prepared manila folder on each table.
 - Have the scenario cards ready to place on each table after each 10 minutes.

Procedure:

Introduction to an Entrepreneur: (10 minutes)

1. Introduce the lesson by asking students if they have heard of the word entrepreneur. Define entrepreneur *as a person who combines productive resources to produce goods and services that they expect to sell for profit*. Show entrepreneur definition card to students.
2. Ask students if they can identify a person who fits this definition. Allow students to name people that fit this definition. Examples but not limited to: Walt Disney (entertainment), Henry Ford (automobiles), Bill Gates (software), Jeff Bezos (online retail), Vera Wang (fashion).
3. Ask students, “*What characteristics do these entrepreneurs have that made them so successful?*” (looking for adjectives such as: competitive, confident, creative, determined, energetic, enthusiastic, hardworking, honest, opportunistic, risk takers).
4. Explain to students that they will be participating in an activity involving characteristics of entrepreneurs.
5. Have students form groups of 4-5 students. These groups can be chosen by the teacher, students, or at random.
6. Distribute the set of ten adjectives: competitive, confident, creative, determined, energetic, enthusiastic, hardworking, honest, opportunistic, risk takers, to each student group.
7. Explain to the students that they will be arranging these cards from the most desirable characteristic an entrepreneur needs to the least-needed.
8. Allow students about 3-5 minutes to discuss as a group and rank the ten adjective cards.
9. After students have ranked the 10 cards, have each group take their time reading their list allowed to the rest of the class. Lists may vary from group to group.
10. Discuss with the students that there is not a right or wrong answer for this activity, but just a great discussion point with their peers.

Lemonade Stand Activity:

- Have students remain in their groups from the previous entrepreneur activity.
- Review the characteristics of an entrepreneur and how that will be important for today’s activity.
- Distribute business cards.

-Business plan - This business plan page will guide the students with questions that will help them think of their business plan in more depth. They will not be able to work on this page until they have received the direction card #1.

-Diagram of Stand- This diagram of the stand page will be a drawing of the students' stand. They will not be able to work on this page until they receive direction card #2.

-Advertisement page- This page will allow the students to create an advertisement page for their new idea to bring business in. This will also be used during their pitch. They will not be able to work on this page until they receive direction card #3.

Business Plan: Direction Card #1

- Present the business scenario for the lesson. Distribute direction card #1 to each group.
 - *"You own one of the many lemonade stands in the area. Comparing your data from previous years, your profit has dropped significantly. Understanding your job as the entrepreneur of your local lemonade stand, you will need to create a business plan that will encourage more consumers to visit your lemonade stand."*
- Set the timer for 8 minutes.
- Students will work within their groups answering questions on their business plan planning page (pumpkin #1)
- When the timer goes off, pass out direction card #2. Explain to students that if they were unable to finish their business plan, they will have time to come back to it.

Diagram of Farm: Direction Card #2

- Distribute the direction card #2 to each group.
 - *Design a colorful diagram that will help your guests view your lemonade stand property. What will catch their eye and entice them to come to your lemonade stand?*
 - Students will need to draw and label 2 human, capital, and natural resources.
- Set the timer for 10 minutes. This activity may take a little longer than the previous direction card.
- When the timer goes off, pass out direction card #3. Explain to the students that if they were unable to finish their diagram, they will have time to come back to it.

Advertisement Page: Direction Card #3

- Distribute the direction card #3 to each group.
- Students will be answering the following questions in a creative way on their advertisement template.
 - *What are you advertising?*
 - *How will you compete with the competition?*
 - *Why should this product/service be chosen?*
 - *How does your product/service work?*
 - *When is your product/service available?*
 - *Who will benefit from your product/service?*
- The questions answered do not have to be labeled on the advertisement template.
- Explain to the students that this advertisement page will be used to make their elevator pitch. An **elevator pitch** is a short description of an idea, product, or company that explains the concept in a way such that any listener can understand it in a short period of time.
- Set a timer for 10 minutes.
- If students finish prior to the 10 minutes, they can use the extra time to refer back to unfinished

documents.

Closure:

Elevator Pitches: *is a short description of an idea, product, or company that explains the concept in a way such that any listener can understand it in a short period of time.*

- Each group will have 1 minute to pitch their new innovative idea.
- Explain to students that their elevator pitches will come from their advertisement sheet.
- Students should mention:
 - Component 1: Your product name and category.
 - Component 2: The problem you are attempting to solve.
 - Component 3: Your proposed solution.
 - Component 4: The key benefit of your solution

Assessment:

- The elevator pitches will serve as this lesson's assessment. Students will pitch their ideas based on the 4 components:
 - Component 1: The students addressed the product/service name and category.
 - Component 2: The problem the students are attempting to solve with their business.
 - Component 3: The students solved the problem with an innovative marketing idea.
 - Component 4: The students were able to identify how this new marketing solution would benefit the community.
- The teacher can use the Diagram of the stand to identify whether students understood the concepts of productive resources.
- If the teacher would like an individual grade for each student, have the student list characteristics that make up an entrepreneur, referring to the entrepreneur ranking activity.