



# Steps to starting a business

Age range: 16-19 and 19+

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# Session overview

If your group require an introduction to enterprise, find our enterprise resources by using the [Enterprise Skills filter](#) to give them a grounding in enterprise.

Time	Key learning outcomes	Resources
120 mins	By the end of the activity students will be able to: <ul style="list-style-type: none"> <li>Understand the skills needed to be enterprising and their strengths in these areas</li> <li>Generate and research a business idea</li> <li>Understand the seven key steps to setting up a business and how to apply these</li> <li>Demonstrate how to plan and pitch a business idea</li> </ul>	<ul style="list-style-type: none"> <li>Steps to starting a business presentation slides</li> <li>Starting a business handbook</li> <li><a href="#">Business start up planner</a> – optional to help support business planning and available online if young people have access to computers or copies can be printed</li> </ul>

Always start the session by agreeing ground rules with the group. For advice on this and other ways to establish a safe learning environment, download the [LifeSkills content guide](#).

The first two activities can be delivered together as an introduction to setting up a business. The third activity can be covered in one session, or, it can be delivered as a longer-term business project/series of sessions allowing the concepts to be explored in more depth. The needs of your young people will determine which format to deliver.

The Starting a business handbook is also available to accompany this lesson and can be used to support young people carry out independent research around a business idea as part of an ongoing project. It includes all sheets needed for this lesson and provides young people with useful tips and relevant websites to refer to in future. If you will be delivering all activities to your group and the ongoing project, the whole Starting a business handbook can be printed, one per person, otherwise the relevant sheets to print for delivering in one session are indicated.

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# Activity one

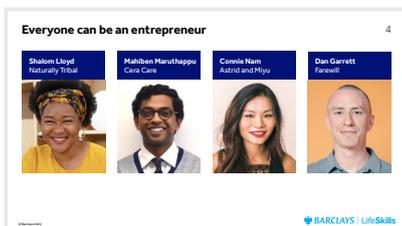
## Understanding what being enterprising is

### 1. What does it mean to be enterprising?



- Introduce the learning outcomes of today’s session, and ask the group to provide examples of the different ways that people can be enterprising. You may need to guide the discussion towards the idea that an enterprising person uses their skills and attitude to make changes – this can be within the community, within college/university, working as an employee or being self-employed/owning a business
- Ask if anyone can tell you the difference between an entrepreneur and a business owner. They are both enterprising people who have set up their own businesses and share an ‘entrepreneurial mindset’ (along with people who are enterprising within college/university and within the community). This refers to someone spotting an opportunity, or a way to solve a problem using enterprise skills to bring about change. Show **slide 2** to demonstrate this difference
- Show **slide 3** and ask the group to suggest some famous entrepreneurs. There is often a perception that entrepreneurs are white men. If their suggestions reflect this, encourage them to think about successful people from different backgrounds and genders

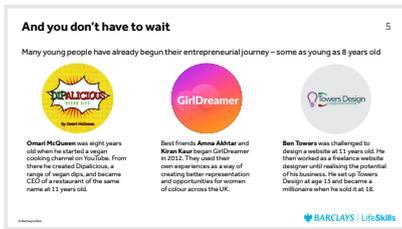
### 2. Can everyone be enterprising?



- To broaden their understanding of what it means to be enterprising, show **slide 4** and talk through the examples of people who have started their own business. Ask students if they had heard of any of these businesses and if so, knew the background to why it was started:
  - After having twins, **Shalom Lloyd** didn’t want to use harmful chemicals to treat her son’s eczema. She used her 20 years experience in the pharmaceutical industry to create the perfect remedy from natural materials. From there, Naturally Tribal Skincare was born
  - **Mahiben Maruthappu** studied medicine at Cambridge. After experiencing difficulties when organising the right care for a loved one and seeing the challenges care workers face, he founded Cera Care, a home healthcare company that uses smart technology to help carers focus on caring
  - **Connie Name** loved jewellery, but thought that existing brands were very expensive or mass produced, and the experience of jewellery shopping was too formal. She set up Astrid & Miyu from her bedroom, and the contemporary jewellery brand is now popular amongst celebrities and has held pop up stores across the world
  - **Dan Garret** set up the Fairwill after seeing how people struggle to organise things for their family before they pass away. Fairwill has revolutionised the funeral sector and is one of the biggest will writers in the UK
- Ask students to think about how each of them identified a problem or challenge and built their business to solve this

# Activity one

## Understanding what being enterprising is (cont'd)



- Show **slide 5** and explain that you can be enterprising at any age. Discuss the examples of young people who have combined their ideas and passions to set up businesses at a young age
- In order to develop a strong entrepreneurial mindset a variety of enterprise ingredients must be brought together and utilised. Using **slide 6** explore how someone who is enterprising uses their core transferable skills to make progress with all of the enterprise ingredients. Explain that different people will have different strengths and skills that might make them suited to different work environments, from being self-employed to joining a big fast paced company. An enterprising mindset can be developed by everyone in a range of contexts

# Activity two

## Is setting up a business for you?

### 1. Who starts their own business and why?



- Ask small groups to think about all the reasons why people want to start their own business. Allow them a few minutes and then ask them to share their ideas with the whole group
- Encourage them to consider why people start businesses at different stages of their life, for example, wanting to be their own boss, wanting to work flexibly around other commitments or wanting to do something that solves a problem in their community. They all use the transferrable skills belonging to the enterprise ingredients to do this, which could be gained from a college/uni project, volunteering, work experience or having a previous job
- Discuss the benefits to starting your own business on **slide 7** and ask them to suggest other reasons they can think of
- As much as setting up your own business can bring personal benefits to your working life, it is also vital to the wider economy. Small and medium-sized enterprises creates jobs, generate revenue and spark innovation. Talk through the the statistics on **slide 8**

**Are there any that surprise them?**

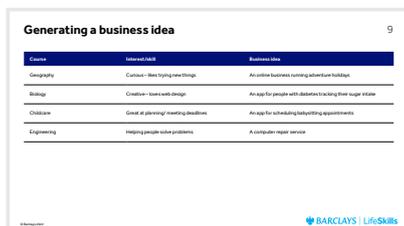
# Activity two

## Is setting up a business for you? (cont'd)

### 2. Doing what you love

- If useful, show **slide 5** again and print out the template from the Starting a business handbook (page 3) and ask everyone to explore what motivates them by filling out each quadrant of the template. Examples could include enjoying cooking but not being very good at it, or not enjoying maths lessons but actually being really good with numbers
- Give the group a few minutes to put as many ideas as they can think of on their sheets
- Bring the group back together and see if anyone wants to share their ideas. Explain the idea that your opinions can change during your lifetime. For example, if you love something but are not very good at it, you could practice it until it becomes a strength, or you may start to like something more as your skills in that area grow
- Explain that the top right quadrant, where the star is, is what everyone would like to be doing but it's not always realistic. People often aim for jobs that play to their strengths, even if they don't enjoy it as much
- To start to bring in a business theme ask the group to place the following enterprise statements on their quadrant using the accompanying numbers:
  1. Thinking of new ideas e.g. coming up with an idea for a surprise birthday party for your friend
  2. Thinking ahead and making plans e.g. organising plans with your friends at the weekend
  3. Taking the lead and meeting deadlines e.g. ensuring everyone in your band turns up for practice and is ready for your next gig
  4. Meeting new people and encouraging others to follow your lead e.g. persuading your football team to follow your strategy at the next match
  5. Solving problems e.g. you miss the last bus and you work out how to get you and your friends home
  6. Communicating with people e.g. you are able to give presentations
- Where someone demonstrates being enterprising can also change throughout a career journey, you may start off being enterprising within an organisation as an employee and transfer these skills to you own business at a later life stage

### 3. Generating a business idea



- Coming up with an idea of the type of business you would like to run can be challenging. In pairs, the group should brainstorm ideas for businesses they could envisage themselves setting up in the future. They can choose to revisit something from the 'Doing what you love' activity and come up with an idea for a business based on this, or they may already have an idea for a business they can share with their partner
- You can use **slides 4 and 9** as inspiration
- If there is time everyone should individually think about/research the type of business they would like to set up and start to explore whether any similar businesses already exist and what the industry is like
- Each person can then feedback to their partner about what they have found out and whether they still think their idea is a good one

# Activity two

## Is setting up a business for you? (cont'd)

### Activity summary

- Use **slide 6** to recap the skills that go into making someone enterprising and how these contribute to successfully setting up their own business
- Encourage the group to review their Doing what you love sheet and the ideas they have generated to help them think about whether setting up a business is right for them, and/or whether they could apply enterprise skills in other areas

### Try next

You can dive further into enterprise skills through other LifeSkills lessons including:

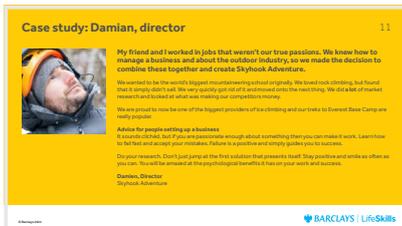
- [Identifying workplace behaviours and values](#)
- [Problem solving](#)
- [Networking](#)
- [Innovation and idea generation](#)



# Activity three

## Setting up a business – making it happen

### 1. What does it take to set up your own business?



- Show **slide 10** to illustrate various types of businesses and the differences between them
- Use the case studies on **slides 11-16** and ask the group to consider which business set up they represent

**Can the group think of any other examples of these types of business?**

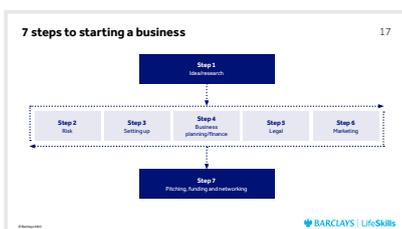
- Split the group into smaller groups and ask them if they can think of any skills the people in the case studies would have needed to start up their businesses

**Did they have similar experiences or were they unique in their approach?**

- Ask the groups to share their ideas and discuss the different or overlapping skills that makes these people successfully enterprising

**Does the industry or business type impact on the skills they need?**

### 2. Seven steps to starting a business



- Show **slide 17** and explain that there are seven practical steps to follow when considering setting up a business. Each group will now work through these, either all within this session or spread across a series of sessions if time allows. Your group might have varying levels of existing knowledge about setting up a business, so consider how much detail is needed for each of the stages
- Write the title of each step on a different sheet of paper and place them round the room. Ask small groups to move between the steps and write a suggested definition, with each group building on the contribution of the previous group. Encourage them to think about what each stage would involve
- Bring the whole group back together and review their explanations against the descriptions below and also on page 4 of the Starting a business handbook

# Activity three

## Setting up a business – making it happen (cont'd)

No.	Step	Definitions
1	<b>Idea/research</b>	This step is about finding an idea and researching the market. It is important to explore who else is doing something similar and how the industry is currently performing to help you decide whether to go ahead. Key considerations include what's your Unique Selling Point (USP), will you need to protect your idea, and have you got a good company name that will appeal to customers now and in the future.
2	<b>Risk</b>	This step is about considering the level of risk involved in setting up the business. It is important to assess what the level of risk is, how you could reduce the risks and whether you can manage if the risk doesn't pay off. Key considerations include understanding your skills and strengths to be able to make the business work and the experiences of other businesses in your industry – is there a high failure rate for start-ups in that area?
3	<b>Setting up</b>	This step is about how you will set up and structure your business. It is important to think about what type of business will suit your idea (sole trader, franchise etc) and who you will need involve to make the business a success. Key considerations include whether you will need to employ other people permanently or use freelancers and what qualifications or experience they will need to contribute to your business.
4	<b>Business planning / finances</b>	This step is about how you will fund your business to start up and how you will manage your finances once you are running. It is important to put together your financial forecast to analyse the profitability of your business. Key considerations include finding an investment source, when you need to register your company and researching what could affect your future finances, e.g. the reliability of your suppliers, the wider economy, international regulations.
5	<b>Legal</b>	This step is about researching all the legal obligations you will have as a business owner. It is important to find out which regulations apply to your business type and what contracts you need to have in place to operate legally. Key considerations include how you will adhere to general employment laws, health & safety regulations, what your tax obligations are and whether there are different laws you have to be aware of if you are operating overseas.
6	<b>Marketing</b>	This step is about knowing who your customers are and how you can reach them. It is important to identify your audience and create a marketing plan that includes planning, promotion and analysis of the results. Key considerations include identifying your key message and choosing the best channels for your audience such as social media, flyers or promotional events.
7	<b>Pitching, funding and networking</b>	This step is about having the communication skills to get your business off the ground. It is important to be able to take advantage of all opportunities that arise to share your idea. Key considerations include having an overview/mission statement for the business available to share with new people you meet and having the confidence to approach potential new funders, suppliers and customers by email, phone and in person.

# Activity three

## Setting up a business – making it happen (cont'd)

- To check their understanding, show the group **slide 18** which has seven statements relating to setting up a restaurant business. See if they can categorise them under the correct step (the answers are below). In small groups also ask them to consider which three statements are most important and what order they should all be completed in. After a short group discussion share the answers and compare their decisions about the importance of each statement. Explain that all the steps are important to complete, but depending on circumstances, such as industry or business size, some may need to be done before others

No.	Statement	Step (to be shared after discussion)
1	Finding out the failure rate for independent restaurants in their first five years	<b>Risk</b>
2	Calculating how many diners you will have to serve to break even	<b>Business planning/finances</b>
3	Checking the premises you want to rent meet fire safety regulations	<b>Legal</b>
4	Deciding you will need to hire an accountant	<b>Setting up</b>
5	Setting up an online event for your opening night	<b>Marketing</b>
6	Visiting a potential competitor's restaurant	<b>Idea/research</b>
7	Introducing yourself to the other business owners on the street you are planning to open on	<b>Pitching/networking</b>

### 3. How enterprising are you?

- Recap that to set up a new business people will need to be enterprising. Reinforce that not everyone has the same strengths or knowledge but it's useful to be aware of where your strengths and development areas lie. This activity is an audit to find out what they already know about setting up a new business
- Hand out the 'how enterprising are you' sheets (5 and 6) from the Starting a business handbook and ask the group to complete the questions individually. Once they have done this they can total up their scores and plot these on the spider diagram
- Reassure the group that if this is the first time they have thought about setting up a business they shouldn't worry if they have lots in the 'not yet' column. There is plenty of time to do more research and planning, then they can do this survey again to see how far they've come
- Ask the group if anyone would be happy to share their strengths and one development area. See if the group can come up with any suggestions for ways they could develop/practice in that area, for example, if it's marketing they could arrange to spend time with the marketing/website coordinator at their college or workplace to learn more. Remind the group that skills they develop in one situation, for example college or volunteering, can be transferable and used for setting up a business in future
- Encourage the group to revisit this tool to reflect on their strengths and continue to focus their development areas. Everyone has the potential to set up a business and being aware of where you need to focus your development or get further support will help with making it a reality

# Activity three

## Setting up a business – making it happen (cont'd)

### Extension

- At this point a [goal setting activity](#) could be done to help the group plan how they will improve in these areas

### 4. Putting the steps into practice

**Getting started with your idea** 19

**Audience**  
A business idea is only great if it meets a need. You must first identify the problem that needs to be solved and who will benefit from it.

**Research**  
Consider your goals, your brand and your values. Who do you want to be? Research your competitors for inspiration.

**SWOT**  
Define the Strengths, Weaknesses, Opportunities and Threats of your idea. This helps to understand the factors you can't take and help you focus your idea.

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**International considerations**

When working through your business idea, think about international markets too.

- Importing and exporting is a large part of the UK economy accounting for more than half of all value added.
- There are many large growth international trade, which will continue despite the UK leaving the single market.
- The UK population of 67 million is less than 1% of the total global population, so becoming an international business gives you much bigger markets.
- 15% growth in exports between 2015 and 2018.
- 30.3% global population and market opportunity outside the UK.

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- This activity provides an opportunity for young people to plan out their own business idea. Alternatively, if they do not have their own idea they can use one of the case studies explored earlier in the session and plan what they would need to do to set up that business
- Ask the group to use the notes section on page 7 of Starting a business handbook to write down their notes about their business idea
- Encourage the students to read pages 8 - 14 in the Starting a business handbook to help them through this activity. There's a selection of useful websites and tips in these pages to enable them to independently research what needs to be done at each point in the 7 steps
- **Slides 19 and 20** include additional information about how to develop an idea into a business opportunity, and the importance of building a team
- If you discuss start-ups and loans, you may want to ask young people to research UK Government Start-up loans. This is a government-backed personal loan available to individuals looking to start or grow a business in the UK. In addition to finance, successful applicants receive 12 months of free mentoring and exclusive business offers to help them succeed

#### One session option

- This can be done as a small group activity for the remainder of the session. Explain that each group will be working through a business idea and independently researching and completing their business plan ready to present back. They will be given a set amount of time to carry out their initial research on each of the seven steps – depending on the time available groups may have to just focus on planning a couple of the steps
- After the research time, ask groups to present back their business plan and encourage constructive feedback from their peers
- Review the statistics on **slide 21** and ask the group to think about international opportunities. Challenge them to think about products they use which have been shipped from different countries and how their enterprise ideas could be used across the globe

# Activity three

## Setting up a business – making it happen (cont'd)

### Extended project option

- This can be an individual or group activity
- The group can be given an extended amount of time for independent research into each of the seven steps or can be encouraged to focus on a different step each week as part of a more guided project
- Whilst planning step 1 (Idea/research) the groups may find it useful to use a business template called a [Business start up planner](#). This is similar to tools used by businesses to test out new ideas and decide if they want to take them further
- Once their research is complete groups should put together a presentation imagining they are pitching their plan to a business manager or potential investor (there are pitching tips on page 15 of the Starting a business handbook). They could explore which of the different funding channels would be most appropriate for their business idea and how this would influence their approach to the pitch, for example, a post on a crowdfunding site, a meeting with a business loan manager at a bank. There is a breakdown of different funding routes on **slide 22** as well as top tips for pitching and presenting on **slide 23**
- You could invite real business representatives to be in the audience for the pitch

### Activity summary

- Use **slide 17** to recap all the steps needed to be successful in setting up your own business and check students understand them all
- If this has been delivered over an extended period, ask the group to complete the 'how enterprising are you' spider diagram activity again to see if they have improved in their development areas after this activity
- Encourage the group to review their Starting a business handbook to recap their learning and to help them think about whether setting up a business is the right next step for them. They can reuse the templates again at any time to help them plan any future business idea. They can also complete the 'how enterprising are you' spider diagram activity again on their own in the future to see if they are continuing to improve in their development areas. For those interested in exploring more, you can share the 'Useful resources' on **slide 24** and encourage the students to look at page 16 of the Starting a business handbook to find supporting initiatives
- You can run the session again once the group have their own business ideas to work with or by using a different case study example to help them refine their approach and business planning skills