

PARTICIPANT WORKBOOK



Financial
Education Curriculum



Table of Contents

CHECKING IN	3
LEARNING OBJECTIVES	3
CASE STUDY: INTRODUCING MARLENA.....	4
WHAT IS YOUR MOTIVATION?	5
BUSINESS OWNERSHIP TERMS	6
MYTHS AND REALITIES OF SMALL BUSINESS OWNERSHIP	7
ROOTS OF POWER	8
MARLENA’S ROOTS OF POWER SELF-ASSESSMENT	9
ROOTS OF POWER SELF-ASSESSMENT	10
START–STOP–CONTINUE ACTION PLANNER	14
TOOLKIT OF RESOURCES.....	15
INDUSTRY-SPECIFIC SELF-ASSESSMENTS	15
FOR MORE INFORMATION	18
PRE- AND POST-TEST FORM	21
EVALUATION FORM.....	22

DISCLAIMER

These training materials are intended as general guidance only and may or may not apply to a particular situation based on the circumstances. The materials do not create any legal rights or impose any legally binding requirements or obligations on the Federal Deposit Insurance Corporation (FDIC) and U.S. Small Business Administration (SBA). The FDIC and SBA make no claims or guarantees regarding the accuracy or timeliness of this information and material.

The content of this training material is not designed or intended to provide authoritative financial, accounting, investment, legal, or other professional advice which may be reasonably relied on by its readers. If expert assistance in any of these areas is required, the services of a qualified professional should be sought.

Reference to any specific commercial product, process, or service by trade name, trademark, manufacture, or otherwise does not constitute an endorsement, a recommendation, or a preference by the FDIC and SBA or the United States government.

Case Study: Introducing Marlana



Marlana is worried. She is uncertain if her employer at a chain hair care salon will be able to stay in business for much longer. Her boss makes bad decisions, he has poor financial management, and he lacks a customer focus. As a seasoned stylist, Marlana knows she has the skills to provide high-quality services to customers. She thinks she has the necessary skills to open her own salon or day spa.

Over the years, thanks to her warm personality, Marlana has developed relationships with dozens of loyal customers. Her family has been encouraging, too. They believe that her dream of opening a day spa that would provide exceptional services, a range of natural beauty products, and a relaxed, attractive atmosphere, could be a success if Marlana is willing to put in the necessary time and make smart decisions.

Marlana thinks she could be a great business woman. She also has some doubts and fears. She needs to understand what it really means to own a business to make a decision that is right for *her*.

Could you advise her about some of the realities of owning a business? Do you think owning a business is a good fit for her? As we discuss this case, you can discover if going into business is a good fit for *you* as well.

Notes

What Is YOUR Motivation?

What is your motivation for going into business? Chances are you have more than one. Complete this worksheet to identify your motivations. There are no wrong answers! Use these answers to introduce yourselves to each other. In the process, you may find others who share similar motivations.

Motivations	Marlena's Answers	Your Answers High – Medium – Low?
1. I want to be my own boss.	<i>High</i>	
2. I love working with customers and they love me.	<i>High</i>	
3. I know this business well and I know I can make it work.	<i>High</i>	
4. I want to make a lot of money so I can buy a bigger house or send my kids to college.	<i>Medium</i>	
5. I see a need or demand for my small business.	<i>High</i>	
6. I am great at making _____ (such as cookies, clothing, jewelry, marketing brochures).	<i>Low</i>	
7. I have a great service to provide _____ (such as organizing, fixing things, dog walking).	<i>High</i>	
8. I want to create jobs in my neighborhood.	<i>Low</i>	
9. I want to create a family business.	<i>Medium</i>	
10. I want to work part time from home.	<i>Low</i>	
11. Other (please describe)		

Business Ownership Terms



Business ownership comes in several models. This overview is *not* complete. Complete some research to find the model that works best for you.

Some of these terms overlap. For example, you can have sole ownership of an online business, or share partnership of a high-growth start-up.

- **Sole ownership or proprietorship.** Sole ownership allows you to maintain control and get all the profits (after paying taxes and vendors). Sole ownership means you are in control, which means you oversee every aspect of the business. The down side: there is no distinction between you and your business. If someone sues your business, you are personally responsible. Handling every aspect of a new business can be overwhelming.
- **Partnership.** In a partnership, two or more people share the ownership. A partner can help make decisions, offer complementary skills, and invest money. A partnership can be beneficial but it has some drawbacks. Partnerships should have a partnership agreement that clarifies the roles and responsibilities of each partner, and how costs and income will be shared.
- **Franchise.** A franchisor expands a business by allowing you (the franchisee) to lease it for a period of time. A franchisee usually pays the franchisor start-up and annual licensing fees. A franchise is a popular way to start a business. One of the big advantages of a franchise: having access to a known company brand can save on marketing and sales resources.
- **Home-based.** A home-based business is also known as a “kitchen table” or “garage” business. It can be small in scale and provide a modest income, a supplementary income, or serve as a launch pad for a high-growth business.
- **Start-up or high-growth.** Investors (angel and venture capitalists) fund this type of business even before it has customers. Investors bet dollars that a start-up will provide a healthy return on their investments in a relatively short period of time.
- **Brick-and-mortar.** A brick-and-mortar business sells products or services via a store front or building.
- **Online.** An online business conducts business via the internet. Many now include both online and offline (brick-and-mortar) components. For example, some brick-and-mortar stores also offer their products online.
- **Existing business for sale.** It might make sense to buy an existing business. After starting and running a successful (or not so successful) business, some owners want to cash out and sell. The caution here: do the homework. Figure out why they want to sell. If they have a hard time attracting customers—so will you.

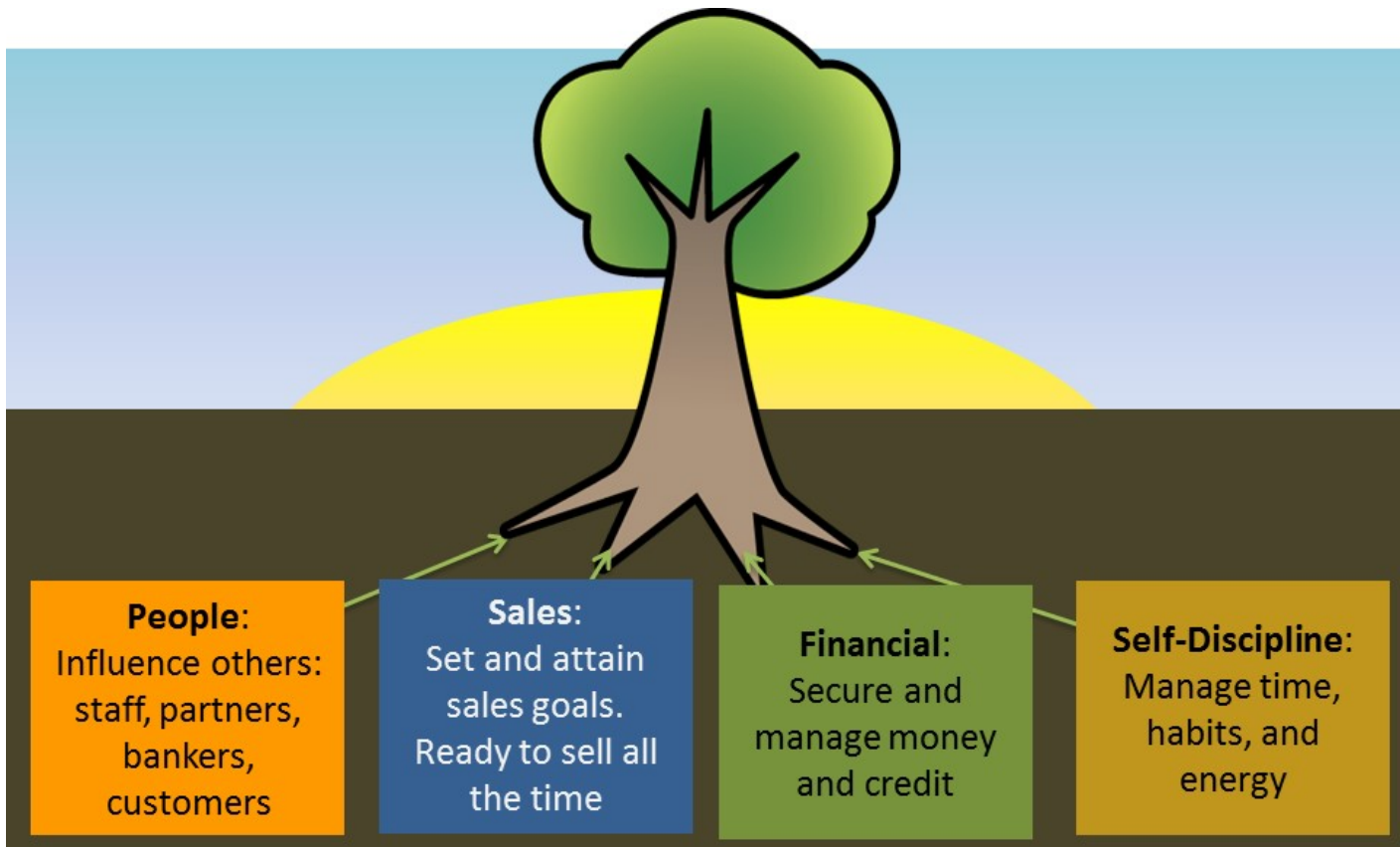
Myths and Realities of Small Business Ownership

Business ownership requires many smart decisions. Some are easy to make (“I should go into business for myself!”) while others are tricky (“How will I finance my business? What will I do if my employees do not provide a great customer experience or if a customer writes a bad check?”) Here are some assumptions that might be true or false. What do *you* think is true or false?

Assumption	True or False?	Notes/Comments
<i>Sample: It is easy to turn a hobby into a business.</i>	<i>False</i>	<i>Many more skills are needed.</i>
1. Starting a new business can be a huge personal sacrifice for your family.		
2. There are a lot of emotional ups and downs.		
3. You have to “get it right” every time.		
4. You do not need a big cash reserve to be successful.		
5. After about a year, you can relax and enjoy the profits.		
6. It is easy to get loans for a great idea.		
7. Successful entrepreneurs do it all themselves.		
8. You will not have a boss.		
9. You will have more freedom, control, and work-life balance.		
10. Starting a business is risky.		

Roots of Power

We all have strengths that help us succeed. We all have skills that need to be developed if we plan to own and grow a healthy business. Even a small tree has to develop a huge root system before it can begin to bloom and bear fruit. This graphic depicts some of the roots of power that can feed your business—and yourself.



- Sales Power (the ability to set and attain sales goals; ready to sell all the time)
- Financial Power (the ability to secure and manage money and one's credit)
- Self-Discipline Power (the ability to manage one's time, habits, and energy)

A portion of Marlena's self-assessment is provided on page 9. What are *your* roots of power? Complete the self-assessment that starts on page 10 of this workbook and see!

Marlena's Roots of Power Self-Assessment

Here is a portion of Marlena's self-assessment. How can she use the traits she rated as High to help strengthen the traits she rated as Low?

People Power		
Roots of Power (Skills, Knowledge, and Attitudes)	Self-Assessment High-Medium-Low	Notes/Comments
1. I am easy-going and likable.	High	<i>Everyone tells me I am really nice.</i>
2. I actively listen to customers, staff, and stakeholders.	High	<i>Dozens of customers are ready to support my new business.</i>
3. I am honest and sincere. People trust my word and believe in me.	High	<i>My customers trust me and are willing to buy from me.</i>
4. I inspire others—customers, staff, and partners.	Medium	<i>Not sure how inspiring I am.</i>
5. I have respect for others who have differing opinions or values.	High	<i>I have a diverse set of customers and friends.</i>
6. I have a strong vision and belief in what I am capable of doing.	High	<i>My customers adore me!</i>
7. I think ahead. I am able to plan for the future, not just for the now.	Medium	<i>It can be overwhelming.</i>
8. I can explain ideas in simple and clear ways. I know how to tell a convincing story so that others "see" my ideas.	Medium	<i>I am shy at times.</i>
9. I am a great "connector." I am at ease networking and meeting new people to introduce myself and my business.	Low	<i>Large groups can be overwhelming for me at times.</i>
10. I have great management and supervision skills. For instance, I can give under-performing staff performance feedback.	Low	<i>Might need help with this. I do not like to hurt other's feelings.</i>

As you can see, Marlena rated herself as High in some categories and Low in others. This self-assessment motivated her to get coaching on how to improve some skills. She also realized that she may need a partner who has skills she lacks.

Roots of Power Self-Assessment

These 40 statements describe some competencies that successful business owners tend to share. How would you rate yourself on these? Start this self-assessment in class (beginning with People Power, below) so we can share ideas and compare notes. Finish this self-assessment on your own. When doing so, ask some trusted advisors for feedback on what they see as your strengths and areas where you can develop.

In addition to these questions, there are more self-assessments in the Toolkit of Resources section of this workbook for industry-specific fields, such as retail, construction/contracting, and personal services.

People Power		
Roots of Power	Self-Assessment High-Medium-Low	Notes/Comments
1. I am easy-going and likable.		
2. I actively listen to customers, staff, and stakeholders.		
3. I am honest and sincere. People trust my word and believe in me.		
4. I inspire others—customers, staff, and partners.		
5. I have respect for others who have differing opinions or values.		
6. I have a strong vision and belief in what I am capable of doing.		
7. I think ahead. I am able to plan for the future, not just for the present.		
8. I can explain ideas in simple and clear ways. I know how to tell a convincing story so that others “see” my ideas.		
9. I am a great “connector.” I am at ease networking and meeting new people in order to introduce myself and my business.		
10. I have great management and supervision skills.		

Roots of Power Self-Assessment, Cont.

Sales Power		
Roots of Power	Self-Assessment High-Medium-Low	Notes/Comments
1. I am ready to sell, sell, sell, all the time!		
2. I have the discipline to set sales targets and meet or exceed them every month.		
3. If a customer says “no” to me, I can accept rejection and keep on selling.		
4. I easily communicate with people who do not have the same backgrounds or values as I have.		
5. I know how to coach and train others to help improve their sales skills.		
6. I am creative. If a customer does not like my first offer, I can think of other realistic offers to make.		
7. I know how to explain my business idea in simple, easy-to-understand language.		
8. I know how to use software to track customers and sales performance.		
9. I am able to educate current and potential clients on the benefits of my product/services so that they can make an educated decision to buy or not to buy.		
10. I am a great listener. I listen to and respond appropriately to current and prospective customers.		

Roots of Power Self-Assessment, Cont.

Financial Power		
Roots of Power	Self-Assessment High-Medium-Low	Notes/Comments
1. I have at least six months of savings to support myself before I go into business.		
2. I can do the math: estimate start-up and operating costs, products/services, and calculate what it will take to break even. I can create a budget and manage it.		
3. I understand how to manage cash flow.		
4. I have a solid relationship with bankers or loan officers before I need to ask for a loan.		
5. I have a good credit score – I am “bankable.”		
6. I know how to write a business plan with financial projections.		
7. I know how to use financial planning software such as Excel or QuickBooks.		
8. I know the terminology bankers and accountants use.		
9. I know how to ask for help from others who know more about finance than I do.		
10. I know where and how to secure funding for my start-up.		

Roots of Power Self-Assessment, Cont.

Self-Discipline Power		
Roots of Power	Self-Assessment High-Medium-Low	Notes/Comments
1. I pay my bills and taxes on time.		
2. I am willing to learn from mistakes.		
3. I can maintain a steady work pace even if I have to work seven days a week.		
4. I can go without extras to improve my credit score or save money.		
5. I manage my time very well. I set and achieve measurable goals on a regular basis.		
6. My family and I can go without extras to save money.		
7. I can focus on details that can make or break my business (for instance, sales results, the bottom line).		
8. I am willing to delegate responsibilities to others, even if they are projects or tasks I really like to do.		
9. I am a problem solver. If Plan A does not work, I can come up with Plans B and C.		
10. I am able to figure out what decisions must be made, and I can make those decisions.		

Congratulations! Now that you completed this self-assessment, take a few minutes to write up a plan of action on the next page. What do you now know that you need to start doing, stop doing, or continue to do?

Start–Stop–Continue Action Planner



Use this worksheet to identify the actions you want to start, stop, or continue.

Here is a sample from Marlena’s plan:

Marlena’s Plan

Start
<i>I will ask Noreen to partner with me.</i>
Stop
<i>I will stop worrying about my lack of financial expertise. I will ask for advice from my banker and set up an appointment with an accountant.</i>
Continue
<i>I will continue to work at another salon because I need to save money to start my business.</i>

Your Plan

Start
Stop
Continue

Toolkit of Resources

Industry-Specific Self-Assessments

Construction

Roots of Power	Description	Self-Assessment (High-Medium-Low)	Notes/Comments
Licensing	I know which licenses I need that permit me to conduct business in my city, municipality, or state. My licenses are up to date.		
Bonding	I make sure that a third party has made a legal promise to pay a surety bond if I do not fulfill my work obligations under a contract.		
Insurance	I have the proper types of insurance. I am fully covered (fire, liability, and so on).		
Estimating	I provide customers with realistic costs. I understand building methods, materials, costs, and sources, and suggest options that reduce waste and increase profits.		
Control	I maintain control of all projects. I know how to manage cost control, work progress, materials, and contractors.		

Retail

Roots of Power	Description	Self-Assessment (High-Medium-Low)	Notes/Comments
Vision	I know what my customers like and do not like. I consistently provide them with products they are excited to purchase.		
Merchandising and Visual Display	I can design a sales space that enhances rapid turnover of inventory.		
Buying / Inventory Management	I know what inventory to buy and when to buy it. I know how to manage what I have in stock to manage cash flow.		
Staff Training	I train my staff to be courteous, effective sales people, who develop strong relationships with customers. My staff knows how to proactively respond if customers complain or raise objections.		
Sales and Promotions	I can apply a variety of techniques to attract customers and increase sales. I know how to attract customers through e-mail, social media, promotions, and advertising.		

Online Retail

Roots of Power	Description	Self-Assessment (High-Medium-Low)	Notes/Comments
Attract Visitors to Your Site	My online store is search engine optimized (if a customer searches for my type of business, my business jumps to the top of the list). I provide useful content through social media so people will want to visit my site.		
Optimize Your Online Store and Increase Conversion Rates	I make sure my online store is easy to use, attractive, and interesting. (If customers have to difficulty navigating a website to find what they want, they give up and find another site.)		
Photography and Writing	I provide attractive product photos and great descriptions that make customers want to buy my products.		
Checkout Process	My website checkout process is easy to use. Customer payments are protected and secure.		
Keep Customers Happy	My site provides a great shopping experience, hassle-free checkout and shipping, a fair return policy, and an online community that customers want to join.		

Professional Services (for example, consulting, real estate)

Roots of Power	Description	Self-Assessment (High-Medium-Low)	Notes/Comments
Quality Customer Focus	I consistently deliver high-quality services that offer great value to my customers.		
Contract Management	I know how to develop contracts (or work with a lawyer) that clearly describe the services I provide, expected outcomes, and payment terms.		
Communications and Influencing Skills	I continually speak with clients about the work to be performed. If things do not go as planned, I effectively resolve customer concerns.		
Networking	I continually expand my network by attending conferences, meetings, and professional get-togethers.		
Balancing Sales versus Production	I am ready to sell all the time, even if I have contracts. I can line up new business ahead of time to ensure a constant pipeline of work.		

Restaurants or Food-Based Business

Roots of Power	Description	Self-Assessment (High-Medium-Low)	Notes/Comments
Food and Service Systems Management	I have documented systems to ensure consistent high quality service in the kitchen and dining areas.		
Menu Design and Presentation	I have an attractive and competitively-priced menu that displays my restaurant's personality and unique brand. The menu is available in the restaurant and on social media.		
Staff Training and Supervision	My staff consistently provides exceptional service. I provide them with training, coaching, and supervision to maintain high-quality service.		
Food Safety	I regularly monitor food safety issues, such as hand washing, proper food handling, and maintaining proper storage temperatures.		
Licensing	I abide by all licensing requirements, some of which are complex and detailed. I know what to expect from licensing inspections that can vary in each town and state.		

Personal Services (for example, day care, housework, lawn care)

Roots of Power	Description	Self-Assessment (High-Medium-Low)	Notes/Comments or Notes
Appointment Management	I have a reliable appointment booking system to ensure prompt service with minimal overlap.		
Staff Supervision, Training, and Management	I hire and manage people who are reliable, honest, and competent. I provide training on safety, customer service, and communications to ensure my team provides quality service every time.		
Safety Management	I ensure my staff knows and adheres to all safety and licensing regulations.		
Unique Products or Services	Through marketing and customer service, I differentiate my business from others in a highly competitive market.		
Licensing and Contracts	I know how to get and maintain the licenses and contracts I need to be in this line of work.		

For More Information

BusinessUSA

www.business.usa.gov

This official portal of the United States government provides guides and resources that help businesses comply with business laws and regulations. It provides self-paced courses on how to apply for financing such as microloans, how to write a business plan, how to register and run a business, and more.

U.S. Small Business Administration (SBA)

www.sba.gov; www.sba.gov/tools; www.sba.gov/tool/sba-learning-center

SBA Answer Desk: 1-800-827-5722

The U.S. Small Business Administration (SBA) website provides resources, answers to frequently asked questions, and other information for small business owners. They provide free online tools and resources at www.sba.gov/tools. The site provides self-paced information on how to write business and strategic plans, how to buy or sell a business, how to compete for government contracts, how to conduct market research, basics of accounting, and more. Also check out the Learning Center: www.sba.gov/tools/sba-learning-center offers a long list of online courses on topics such as attracting investors, cybersecurity, fundamentals of crowdfunding, customer service, and more.

SCORE

www.score.org.

SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow, and achieve their goals through education and mentorship. SCORE provides a variety of free online resources for start-up small businesses including a gallery of templates for business, finance, and marketing plans. They provide how-to guides and self-paced modules on financing, how to secure contracts, cash flow management, and more. For more information go to www.score.org/startup.

America Small Business Development Center Network

<http://americassbdc.org>.

The American Small Business Development Center (SBDC) network provides free consulting to small business owners at all stages of development. This excellent resource provides a variety of feedback and planning assistance to small business owners. Their advisors can help connect you to regional and local business resources and lending institutions.

Women's Business Center (WBC)

www.sba.gov/tools/local-assistance/wbc

Women's Business Centers (WBCs) is a national network of education centers throughout the United States designed to assist women in starting and growing small businesses. WBCs seek to "level the playing field" for women entrepreneurs who still face unique obstacles in the business world. The network provides comprehensive training and counseling on a variety of topics in several languages.

U.S. Financial Literacy and Education Commission

www.mymoney.gov.

1-888-My-Money (696-6639)

MyMoney.gov is the federal government's one-stop website that provides financial education resources from more than 20 federal agencies.

Federal Deposit Insurance Corporation (FDIC)

www.fdic.gov.

The FDIC preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least \$250,000; by identifying, monitoring, and addressing risks to the deposit insurance funds; and by limiting the effect on the economy and the financial system when a bank or thrift institution fails.

The FDIC encourages bank lending to creditworthy small businesses. The FDIC encourages small business owners with inquiries or concerns about the availability of credit to contact the FDIC Small Business Hotline at 1-855-FDIC-BIZ or www.fdic.gov/smallbusiness. Another FDIC website, www.fdic.gov/buying/goods provides resources to small business owners who want to conduct business with the FDIC.

For more information about the Money Smart for Small Business Curriculum see www.fdic.gov/consumers/consumer/moneysmart.

Local Resources

Pre- and Post-Test Form

Please help us assess your learning from this class—*Is Owning a Business a Good Fit for You?* Enter your responses twice: BEFORE you take the class and AFTER you complete the class. Circle the number that shows how much you agree with each statement. Thank you!

	BEFORE Training				AFTER Training			
	Strongly Disagree	Disagree	Agree	Strongly Agree	Strongly Disagree	Disagree	Agree	Strongly Agree
1. I am 100% clear about my personal and professional motivations for starting a small business.	1	2	3	4	1	2	3	4
2. I have a solid understanding of my readiness to be a business owner in terms of the human elements: managing staff and customers, making sales, and managing my own time and energy.	1	2	3	4	1	2	3	4
3. I have a solid understanding of my readiness to be a business owner in terms of personal attributes (self-discipline) and skills I need to manage my financial resources.	1	2	3	4	1	2	3	4
4. I have a clear plan of action for strengthening my skills where needed and using my strengths to help me get the advice and support I need to get ready for business ownership.	1	2	3	4	1	2	3	4
5. I have list of key stakeholders who will give me honest advice and the support I need to get ready for business ownership.	1	2	3	4	1	2	3	4

Evaluation Form

Please evaluate **Is Owning a Business a Good Fit for You?**

Date: _____

Training Rating

1. Overall, I felt the class was (check one):

- Excellent
- Very Good
- Good
- Fair
- Poor

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
2. I achieved the learning objectives.	1	2	3	4	5
3. The instructions were clear and easy to follow.	1	2	3	4	5
4. The PowerPoint slides were clear.	1	2	3	4	5
5. The PowerPoint slides enhanced my learning.	1	2	3	4	5
6. The time allocation was correct for this class.	1	2	3	4	5
7. The instructor was knowledgeable and well-prepared.	1	2	3	4	5
8. The participants had ample opportunity to exchange experiences and ideas.	1	2	3	4	5

Indicate your agreement with each of these statements by circling a number.

2. I achieved the learning objectives.
3. The instructions were clear and easy to follow.
4. The PowerPoint slides were clear.
5. The PowerPoint slides enhanced my learning.
6. The time allocation was correct for this class.
7. The instructor was knowledgeable and well-prepared.
8. The participants had ample opportunity to exchange experiences and ideas.

Please indicate your degree of knowledge/skill by circling a number.

9. My knowledge/skill level of the subject matter **before taking the training.**
10. My knowledge/skill level of the subject matter **upon completion of the training.**

	None	Advanced			
9. My knowledge/skill level of the subject matter before taking the training.	1	2	3	4	5
10. My knowledge/skill level of the subject matter upon completion of the training.	1	2	3	4	5

Instructor Rating:

Instructor Name _____

Please rate your instructor by circling a number.

11. Made the subject understandable.
12. Encouraged questions.
13. Provided technical knowledge.

	Poor	Fair	Good	Very Good	Excellent
11. Made the subject understandable.	1	2	3	4	5
12. Encouraged questions.	1	2	3	4	5
13. Provided technical knowledge.	1	2	3	4	5

14. What was the most useful part of the training?

--

--

15. What was the least useful part of the training, and how could it be improved?

--

--

Thank you!