**Small Business Management**

**Typical Learning Experiences of Students Earning Lower-Level Credit:**

* Students generally do not earn lower-level credit in this area.

**Typical Learning Experiences of Students Earning Upper-Level Credit:**

* Operate a small business for several years.
* Develop business plans for their small businesses.

**Discussion Topics:**

If you are a current or former small business owner, you may be familiar with some (but not necessarily all) of the following discussion topics, and may be eligible for upper-level credit in the area of small business management. If you have developed business plans, you should have given substantial thought to these areas and how they pertain to the enterprise. If you have not developed a business plan, you should consider preparing one before creating a credit request going into the discussion with an evaluator.

**Definition of the Company (Mission Statement) and Origins of the Firm**

* What is the purpose of a mission statement?
* What is the general nature and purpose of the business?
* What are the primary target markets and customer groups served?
* What are the channels of distribution and technology used to serve customers?
* Are there pertinent geographical factors involved in marketing or operations?
* How is product or service development accomplished?
* What are the primary values and ethics of the firm?
* Is this a new or existing firm?
* Who are the principals of the firm?

**Key Goals and Objectives**

* What are the company’s long-term goals (three to five year time frame)?
* How do the long-term goals help accomplish the mission of the company?
* What are the company’s short-term goals (yearly in timeframe)?
* How do the short-term goals help accomplish the long-term goals and objectives?

Related sub-topics:

* What is the company’s strategy or strategic plan?
* An internal analysis would identify which strengths and weaknesses?
* An external analysis would identify which of the following threats and opportunities:
  + **Competition:** threat of entry; intensity of rivalry; pressure from substitute products/services; bargaining power of buyers and of suppliers
  + **Technology**: rapidity of change; leader or follower?
  + **Economic Conditions:** real growth; interest rates; inflation; employment; productivity; demographics
  + **Political and Social Factors:** political climate (local, state, federal, global); relative power of company; propensity of government to regulate

**Product or Service**

* What is the company’s product/service? How does it work? What is it for?
* Are there any proprietary advantages (patents, trademarks, copyrights)?

**Product or Service Development**

* What is the present status?
* What are the future expectations?

Related sub-topics include:

* Where does creativity fit in?
* Are there examples of designing for ease of manufacturing?
* What is the company’s position on supporting customer service?

**Marketing**

* Who or what is the present market?
* Who are the customers? How many are there?
* What is the market growth rate?
* What is the competition?
* What are the industry trends?
* How does the firm compete?
* What is the specific target market?
* What is the marketing strategy? Pricing strategy? Selling methods and distribution? Sales support? Promotional strategy?
* What is the market share?

**Operations (or Manufacturing)**

* How would you describe the facilities in terms of
  + **physical facilities —** what is of interest about location, size, future expansion capabilities, other?
  + **production process** — how does the company do what it does?
  + **machinery and equipment** — what kind and what capabilities?
  + **maintenance provisions** — how does the business guarantee machinery/equipment operability?
  + **cost of facilities** — what were start-up costs and on-going costs?
* How would you describe the materials used in terms of sources? Availability? Price volatility and costs?
* Describe human resource/staffing issues in terms of employee
  + required qualifications and skills.
  + required number of employees.
  + wages, including fringe benefits, overtime, holiday and sick pay.
  + training and development.
  + work methods and conditions.
  + turnover.

**The Management Team**

* What is the composition of the team in terms of founders and principals? Key employees? Directors and consultants?
* How is the team organized?
* How is the team compensated?

Related sub-topics include:

* How would you describe the team in terms of flexibility? Risk tolerance? Depth/experience? Expectations? Intuition and judgment?
* What is the team’s cultural climate? Describe the ethics/values upheld by the team.

**Financial Analysis (Financial Summation of the Business Plan)**

* Detail historical or projected financial projections of:
  1. Budget
  2. Income statement
  3. Balance sheet
  4. Cash flow statement
  5. Break-even analysis

Related sub-topics include:

* Is the company making or losing money?
* What return on investment might an investor anticipate?
* Why would an investor want to invest in the company?
* What financial control systems are currently in place?