

WHO IS YOUR CLIENT?

In this badge, you'll develop an innovation and turn it into a business. Before you start, you need to know who your innovation will serve. That person is called your client. It's easier to come up with an innovation if your client is very specific—a person doing specific activity in a specific place. Here are some examples to mix and match. Pick one from each column—or come up with a person, activity, and place of your own!

PEOPLE	ACTIVITIES	PLACES
senior citizens	shopping	at the grocery store
my family	recycling	at home
classmates	eating lunch	at school
Girl Scouts	pitching a tent	in the woods
nurse	taking care of a sick person	at the hospital
friends	dressing up	in the car
women	texting	at the mall
pets	playing games	at the park

MY CLIENT is:

Product vs Service

Most innovations come in one of two categories: products and services.

Your innovation might be a **PRODUCT**—either a new object that serves a need, or an addition that makes an existing object better. For example, if you chose “Girl Scouts dressing up in the woods,” you might think of a new product—maybe a bug-repellent, durable, lightweight skirt and top—or make a pup tent “better” with a vertical addition that would allow girls to stand up to change.

Or it could be a **SERVICE**—a new one, or an improved or more efficient process for an existing service. For example, if you chose “senior citizens eating lunch at home” you might imagine a new service that would deliver ingredients for simple meals every morning, or improve a service that goes door-to-door delivering meals by adding a microwave in every van so the meals would be hot.

TIPS BEFORE TAKEOFF

- ▶ **Before you begin step 1, decide who your client is.** Use the guidelines on page 2 to help you.
- ▶ **Keep an innovation notebook in this badge.** You'll use it to jot down ideas.

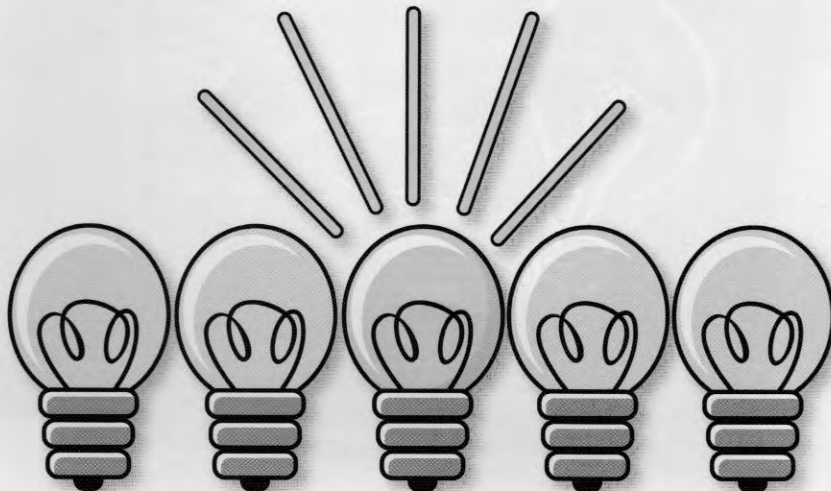
STEP

1 Brainstorm business ideas

Being an entrepreneur isn't just about making money. It's also about providing people with a product or service that helps improve their lives. Business can be a powerful way to make the world we live in a better place. In this step, pick a choice to help you identify issues your clients face. Then brainstorm 25 ideas for products or services that might help solve those issues—and improve their lives!

CHOICES - DO ONE:

- Interview your client.** For example, if you chose "classmates eating lunch at school," your client could be another classmate or one of the people who work in the cafeteria. Identify issues and brainstorm together.
OR
- Become a keen observer.** Watch people doing the activity in the place you've chosen. You could do this in one sitting, one day, or over the course of a few days. Keep your notebook close by to capture your ideas when they come to you.
OR
- Group brainstorm.** Put together a brainstorm session with fellow Girl Scouts, friends, or family. This choice works best if the people in your group have firsthand experience—either they are clients or know the clients' situation well.



Innovation Lingo

The innovation business has a special language, or lingo, of its own. Here are some terms to get you in the know:

An ENTREPRENEUR is a person with an innovation they'd like to turn into a company.

A CLIENT is the person, people, or group who will use the innovation (the product or service).

STEP 2 Improve one idea

Now that you've come up with a bunch of different ideas, take a critical look at them. Choose the idea you think is best, pick one of the following techniques to make it better, and fill out information about your improved idea in the chart on page 5.

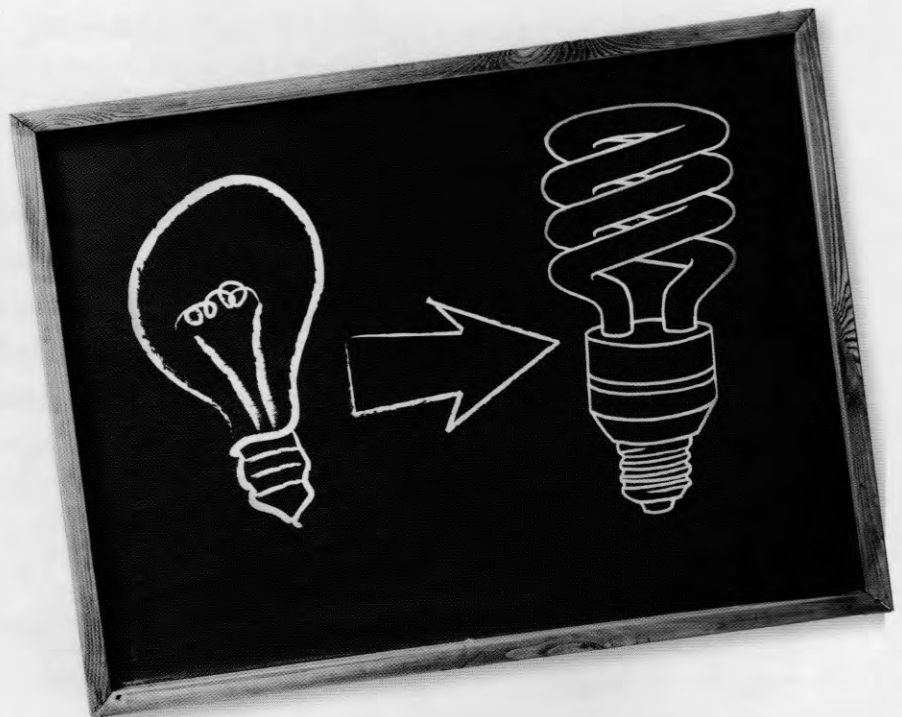
CHOICES – DO ONE:

- Divide your idea into different parts and improve each part.** For example, if one of your ideas for “classmates eating lunch at school” is a lunch box that attaches onto a backpack, you could separate it into attaching, closing, and materials. Then you’d design a strong attachment method, a reliable closure, and an environmentally friendly fabric.
OR
- Beat your competitors!** Look at how others have innovated for your client—and make your innovation even better. See the box on page 5 for tips on how to do this.
OR
- Use a “guideline.”** Creating guidelines that you must follow can help you focus—and result in a better idea. Use one of these guidelines to help you improve your idea, or come up with a guideline of your own:
 - An older person should be able to use it
 - A small child should be able to use it
 - It should be very affordable
 - Someone living 50 years from now should be able to use it

Innovation Lingo

A **START-UP** is a company in the early stages of development. It usually has a small staff and the potential to make a lot of money very quickly—the term is often used to describe Internet companies. (YouTube and Facebook were both start ups at one time!)

A **VENTURE CAPITALIST (VC)** is a person or firm who gives money to start-ups to help them grow. In exchange, the VC will usually receive a share of future profits. Many start-up companies do not succeed—but when they do, the VC often makes a lot of money.



Beat Your Competitors

Use these steps to help you improve your idea. Unless an idea is patented (see page 11), there's nothing to stop an inventor from taking a good idea and making it better!

STEP 1

Find three other products or services in your innovation area.

- For example, if your area was "friends dressing up at school," and you decided to pursue an idea for a party-dress rental service, you could check out a thrift store, a costume rental company, and a department store.

STEP 2

Draw or take notes on the components of each product or service.

- For example, you could note the cost of dresses at each place, the time it takes to try them on, the selection, and how the staff members treat customers.

STEP 3

Analyze each component to decide how you could make a better product or service.

- For example, your dresses could cost less to rent than other stores. You could have a comfy dressing room with places for girls to help each other choose the dress that's best for them. Your selection could include donations from fancy stores. You might not have all sizes of every dress, but you could make up for that with prices even lower than the thrift store, and by giving every dress an "added value"—a card that gives tips for making your own corsage to wear with the dress.

IMPROVED INNOVATION IDEA

Original idea:

Improved idea:

What it is:

How it works:

Why it's good:

Sketch your idea here:



Innovation Lingo

A **PERSONA** is a fictional person who has the characteristics, interests, and lifestyle of the typical client.

Designing For a Persona

To develop the best possible product or service, businesses often create a persona.

For example: A bicycle company is designing a mountain bike for girls. They might create a persona of the typical girl who rides the bike: She's 13 years old, loves the mountains and outdoors, and likes her bike to look different from her friends' bikes. The company would design a bike with the right amount of gears for her to manage and tires that can handle a rocky trail, and include a variety of woodsy decals she could stick on to make it her own.

STEP

3 Get into the financial side of things

Coming up with a good idea is only the first part of starting a business. Entrepreneurs have to consider things like what their product or service might cost to make, what customers might pay for it, and how to let people know it exists.

CHOICES - DO ONE:

Seed money. "Seed money" is the money you need to get your business started. Use the Seed Money Worksheet on the next page to figure out what it would take to make your idea and sell it.

OR

Business models. A "business model" is how an entrepreneur sells a product or service. Mall stores make money by selling a product that you pay for. Magazines make money by putting ads in the magazine. Use the Business Models Worksheet on page 8 to help you imagine ways your idea could make money.

OR

Merchandising. If your innovation is a product, go to a store that might sell it. Decide where your product could be displayed, or "merchandised." If you've invented a new dog leash, it would go in the pet section. But where else could it be merchandised? Maybe next to the running shoes, because people like to go running with their dogs. Write down at least five places your product might be sold.

FOR MORE FUN: Design eco-friendly packaging. Would your leash be sold wound around recycled cardboard? Or would it hang with a price tag attached?



SEED MONEY WORKSHEET

How much money do you need to start selling your idea? Every business has to figure out how much money it needs to start—and where that money is going to come from. Calculate how much money you'll need to start making and selling your idea.

Materials

If you're making a product, what components do you need to buy in order to make it? If you're delivering a service, what materials do you need for the service? Finally, how many of each item do you need? Add up the costs of your materials.

EXAMPLE: For a hammer, you'd need to buy metal for the head and wood for the handle. For a car-repair service, you'd need spare parts.

Material	Quantity	Cost
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total materials costs: _____

Equipment

If you're making a product, what equipment do you need to manufacture your product? If you're delivering a service, what equipment will you rely on? Add up the costs of your equipment.

EXAMPLE: For a hammer, you'd need equipment to attach the head of the hammer to its handle. For a car-repair service, you'd need drills and wrenches.

Material	Quantity	Cost
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total equipment costs: _____

Labor

Some products and many services rely on people. Does your idea rely on people? How many people would you need to hire? Add up the costs of your labor.

EXAMPLE: For a hammer, you might need to hire craftsmen to make the hammer. For a car-repair service, you might need to hire tow truck drivers to pick up customers whose cars have broken down.

Material	Quantity	Cost
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total labor costs: _____

Total Initial Costs

Add up your total materials costs, total equipment costs, and total labor costs. How much will it take to start selling your idea? Anytime someone wants to start a business, they have to think about where they'll get the initial costs, or "seed money," from. What are your ideas?

Materials: _____

Equipment: _____

Labor: _____

Total initial cost: _____

Ideas for earning "seed money":

BUSINESS MODELS WORKSHEET

Every business has to figure out how they're going to make money—and there's more than one way to structure a business. See how your product or service idea changes when you apply these four ways to create a successful business model.

Sales

Sell your client a product or service.

EXAMPLES: A shoe store sells shoes. Dry cleaners sell their cleaning services.

Advertising fees

Sell other companies the opportunity to advertise.

EXAMPLES: Magazines sell ad space. TV sells commercial time.

Fee per use

Sell your client goods and services on a per-use or as-consumed basis.

EXAMPLE: The electric company sells kilowatts of electricity.

Subscription fees

Charge a fixed price for access to your product or service for a period of time or series of uses.

EXAMPLES: Gym memberships and magazines subscriptions.

EXAMPLE: How could a business make money selling cell phones and talk time?

Sell a one-time-use cell phone with a limited amount of minutes on it.



Give a free phone with free minutes. Charge other companies money to be able to send your client text messages advertising their products or services.



Charge your client for every minute they use.



Charge your client a fixed price for a predetermined amount of minutes.



Now try it with your business idea!

Unit Sales

Advertising fees

Utility fees

Subscription fees

STEP 4 Imagine creating a business

You've researched your client, improved your product, and considered how your business idea might make money. Now it's time to practice what it would be like to put it all together, pitch it, and take part in the most important step of innovation—getting feedback! Use one of these methods to prepare for the share.

CHOICES – DO ONE:

Write up a five-point business plan. Creating a business plan should help you develop your idea more fully and get it ready to show to others for feedback. Check out the box for more about what you should include.

OR

Develop your "pitch." Create at least five slides to explain what your product or service would be, who would use it, and the research and development you've done to refine your business idea.

TIP: Check online for free slide-presentation software—there are several innovative types that let you organize information in creative ways.

OR

Make a mock up of an advertisement or commercial. This could be a print ad, a storyboard or script for a commercial, or the filmed commercial itself.

More to Explore

Create a brand. A brand gives your product or service an identity that makes it different from the competition. First, come up with three adjectives that describe your brand, such as eco-friendly, simple, and independent. Then choose a possible brand name and design a sample logo that reflects your identity.



HOW TO WRITE A 5-POINT BUSINESS PLAN

Your plan should explain these five parts of your business.

1 The Big Idea
Describe your business idea in a few sentences—what is it, and why is it great?

2 The Need
Who is your client? What needs do they have that you can satisfy and they will pay for?

3 What You're Selling
Give the details of the product or service that you will offer.

4 Competition
Name three businesses similar to yours and explain what makes yours different.

5 Financials
How will your business earn money? Explain what you figured out in step 3.

Innovation Lingo

A **PITCH** is a presentation intended to promote or advertise.

STEP 5 Practice sharing your business ideas

A good innovator asks for and listens to constructive feedback. In fact, “failure” is encouraged—if you don’t mess up at first, how will you know what can be improved? Try to shake the feeling that you should get it all right and enjoy this step. Share what you made in step 4, and learn from others how your business ideas—and the way you present them—can get even better.

CHOICES – DO ONE:

- Present your idea to someone who hasn’t seen it yet.** It may be one of your parents, an older sibling, one of your teachers, or a neighbor. Because they haven’t yet heard about your innovation, they’ll have new reactions.
OR
- Present to an expert.** Find someone who has experience with the subject area of your idea. Does your idea have to do with taking care of a sick person? Then share it with a nurse. Does your idea have to do with gardening? Then share it with someone who runs a nursery.
OR
- Gather a group of clients.** Share your idea with the people who would use your idea if it were to be turned into a real business.

Good Questions for Your Audience

- **What do you like about the idea? What don’t you like?**
- **What are two ways you think the idea can be improved?**
- **If this business venture were real, would you invest your money in it? Why or why not?**

More to Explore

Become an entrepreneur. If you’re inspired by the innovation process and the feedback you’ve received, see about turning your idea into a real business. Can your new network of experts help you?

BUSINESS CALCULATION PROCEDURE DEVE
ARGUMENT BOOK ANALYZE INNOVATION KNOW THESIS
EXPERIMENT TEST CREATIVE MIX MARKETING
CHECK TEST PROCEDURE DEVELOPMENT
PROCEDURE SUMMARY BOOK EXPERIMENT BOOK
CORE PROOF PROBE TEST ARGUMENT SEARCH
CONCEPT CALCULATION DATA BUSINESS RE
DEVELOPMENT