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The Entrepreneur: Recognizing Market Opportunities



FOCUS:

Overview:

This lesson demonstrates the importance of entrepreneurship to a dynamic economic system. Inventors and innovators create new technologies or uses but without the person who recognized the new market opportunities they have no or little economic value. The entrepreneur notices ways to solve problems or to make things that people want. S/he then assumes the risk of bringing these things to the marketplace by combining the other productive resources to produce the good or service. In this lesson students research their closets and homes and determine what items are new to the marketplace. They create an Innovation Museum in the class displaying these items.

Student Objectives:

- Understand the role of entrepreneurship in a dynamic economy
- Explore innovations and how these changes have changed everyday life
- Explore market opportunity

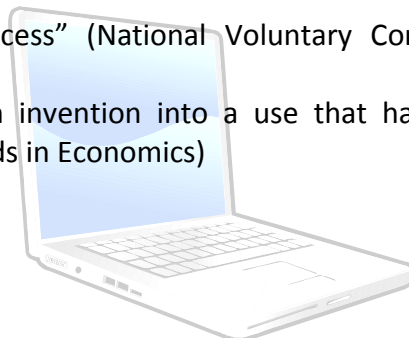
Background Information:

It is now widely recognized that entrepreneurship is the backbone of a dynamic economic system. Entrepreneurs recognize market opportunities and then take the initiative to combine productive resources in order to bring new goods or services to consumers. This opportunity recognition creates new businesses that employ people. Many businesses fail though so there is a great deal of risk involved. Profits are the incentives or rewards to the entrepreneurs who create successful businesses. Many scientists create new inventions or technologies but these have limited economic value without the entrepreneur who uses these inventions to solve problems and to create economic value.

Vocabulary:

Invention: “a new product or process” (National Voluntary Content Standards in Economics)

Innovation: “the introduction of an invention into a use that has economic value” (National Voluntary Content Standards in Economics)



PREPARE:

Materials:

- Bulletin board letters: Innovation Museum
- Table or shelf below bulletin board for displaying the products
- Pins and tape for attaching the product labels
- Homework 3.1 – Closet Search
- Homework 3.2 – Innovation Labels
- Handout 3.3 – Invention Timeline
- Visual 3.4 - SCAMPER



Construct:

1. Prepare the space and signage for the Innovation Museum. Have everything ready to display products as they are shared.
2. Prepare one innovation label per student.

TEACH:

Introduction and Lesson Preparation:

Begin lesson a few days before you plan to spend a class period on it. Ask students to name a few items that are new to the marketplace – 10 years or newer. For many of your students the things they name will be even newer. Examples could include Bluetooth technology that allows people to talk on the phone using a wireless connection. Discuss the economic value of this technology and why people like to use it (convenience). Another new good that students could relate to would be Webkinz. Webkinz are plush toys with Internet IDs that allow kids to own a cuddly toy pet but care for it on the Internet. Kids play computer games and take quizzes to earn points that are spent on buying things for their Webkin pet. Kids learn computer skills while having fun. They can use the program to send coupons and items to friends if they share IDs. Each Webkin has a unique ID. This idea is a combination of a Beanie Baby type toy with a Cabbage Patch where each one is different. It allows students to play safely on the Internet and to communicate with friends in a protected environment. Discuss the economic value of Webkinz (fun and educational).

Now challenge the students to complete Homework 3.1 - Closet Search. Explain that they are to go home and search their closet or homes for products that are new (five years or younger) to the market. Have them list the products and note the economic value. Bring one product to class that can be displayed in the Innovation Museum. If it is too large or expensive, students may substitute an advertisement or picture of it.

Procedures:

Day 1:

- 1) Have students show and display the products they brought for the museum. Have each student explain why they wanted the product.
- 2) Complete the description card for that product using Handout 3.2 – Innovation Labels.
- 3) Place items in the museum for review by students.
- 4) Once all products have been shared, discuss any common categories of the products. For example, are many of the products Internet or computer based? Do they depend on computer chips? Are they constructed of some new materials? Do they serve a common purpose?
- 5) List these observations about technologies or innovations and post randomly around the museum display.
- 6) Collect student Closet Searches.
- 7) Divide students into groups of two. Give each group an invention card. Give students 5 minutes to brainstorm innovations that are based on these initial inventions.
- 8) Have one student from each team stand up. Have students refer to the dates of their inventions and stand in chronological order.
- 9) Share several of the innovations with the class --- again in chronological order --- demonstrating the changes in products and the economic impact of inventions and innovations. Students in the class may want to add to the innovations for each of the inventions.

Day 2:

1. Place the students into groups of four.
2. Explain that entrepreneurs learn to identify the market needs. They solve problems and see opportunities.
3. Challenge the students to come up with an idea for a product.
4. Begin by brainstorming the things students in the class enjoy doing. Be sure to include their hobbies and interests.
5. Once the list is complete, have students think of goods or services that people might want related to items on the list. List a few of these items to help students understand the process. Examples provided.
 - Reading – book covers, bookmarks,
 - Sports – personalized duffel bag for dirty clothes,
 - Trading cards – organizational devices with categories,
6. Display Visual 3.4 - SCAMPER technique discuss the following example with the students. Encourage them to use this technique as each group brainstorms further and then decides on one good or service to consider producing. As an example, using Webkins again, students could determine that something to personalize the pets would be desired by pet owners such as a collar with the pets name or the

owners initials and other items of importance to the owner or pet such as stars or hearts, etc. With this in mind:

- **S** – **Substitute**
- **C** – **Combine** – combine beads and bead letters to create a name collar
- **A** – **Adapt** – using stretchy thread would allow students to make the collars that would fit any pet regardless of the neck size
- **M** – **Modify**
- **P** – **Put to another use** – collar could be used for dolls or other items as well
- **E** – **Eliminate**
- **R** – **Reverse**

Notice that not all of the processes apply to this item. But having students think through each of the steps may generate a new or improved idea.



Evaluation:

Performance Task 1:

Assign students several days to identify a problem and think of an invention or innovation that could make the task easier to accomplish. Have students draw the new product and write a description of the uses for it. They should describe any modifications made to other products that will be used.

Standards:

- (From the <http://www.ncee.net/ea/standards>)

Standard 1: Scarcity

- **Students will understand that:**

Productive resources are limited. Therefore, people can not have all the goods and services they want; as a result, they must choose some things and give up others.

Standard 14: Profit and the Entrepreneur

- Students will understand that:

Entrepreneurs are people who take the risks of organizing productive resources to make goods and services. Profit is an important incentive that leads entrepreneurs to accept the risks of business failure.

Homework 3.1 – Closet Search



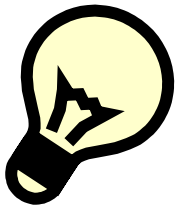
CLOSET SEARCH

Directions: Search your closets and look around your house for innovative products that are new to the market – in the last five years. List at least five of these items. Think about why you wanted that product. Did it solve a problem or make life easier or more comfortable? Was the product an innovation of a new invention or technology? If so, please note below. Bring one innovative product from home to display in the class museum. Complete the product label and description for the museum.

Product:	Innovation:	Reason for Purchase:
1.		
2.		
3.		
4.		
5.		
6.		

Handout 3.2 – Innovation Labels

Product:	Economic Use:
Product:	Economic Use:
Product:	Economic Use:
Product:	Economic Use:



Homework 3.3 – Innovation Timeline

Telescope (1592)	Innovations:
Canned Food (1811)	Innovations:
Iron (17th century)	Innovations:
Lightweight Vacuum Cleaner (1907)	Innovations:
Electric Toaster (1909)	Innovations:
Washing Machine (1851)	Innovations:
Ice-box (1803)	Innovations:

Safety Razor (1903)	Innovations:
Walkman (1979)	Innovations:
Paper Clip (1900)	Innovations:
Mechanical Typewriter (1867)	Innovations:
Electric Light Bulb (1878)	Innovations:

Telephone (1876)	Innovations:
Camera (1826)	Innovations:
Invention:	Innovations:



Visual 3.4

SCAMPER Technique

Use SCAMPER to assist in the process of problem solving and product design. Developed by Bob Eberle, the changes SCAMPER stands for are:

- **S - Substitute** - components, materials, people
- **C - Combine** - mix, combine with other assemblies or services, integrate
- **A - Adapt** - alter, change function, use part of another element
- **M - Modify** - increase or reduce in scale, change shape, modify attributes
- **P - Put to another use**
- **E - Eliminate** - remove elements, simplify, reduce to core functionality
- **R - Reverse** - turn inside out or upside down, also use of Reversal.

Example using the idea of a collar for Webkins made of initial and other decorative beads.

- **S – Substitute**
- **C- Combine** – combine beads and bead letters to create a name collar
- **A – Adapt** – using stretchy thread would allow students to make the collars that would fit any pet regardless of the neck size
- **M – Modify**
- **P – Put to another use** – collar could be used for dolls or other items as well
- **E – Eliminate**
- **R – Reverse**

Notice that not all techniques apply to each idea.