



# Lesson 1

Objectives: To dialogue about business & identify and set goals.

## Starting a Business

### Lesson 1 To-Do List

Set Goals

Order Coffee

Complete a  
Prospect List

Determine Your  
Sales Price

### “Why do people start a business?”

Possible answers include:

1. To make money.

“If you had money how would you spend it?”

2. To meet a need.

“**What is a need?**” A need is a condition or situation in which some thing is required or wanted.”

-To prevent cavities toothbrushes were created.

-Dairy farmers breed and keep cows to give us milk.

-Barbers provide a service of cutting hair.

3. To meet a need better than someone else.

Some people start a business because they can provide a better product or service than what is already available.

“**Can you think of any companies that sell the same thing?**”

-McDonalds and Burger King

-Crest and Colgate

-United Postal Service and Federal Express

4. To help others.

-The Red Cross is a business, but it doesn't try to make money for itself. It uses its resources to help the needy. (Resource means having something that can be used for supporting or providing help to others.)

-On the other hand, a doctor's office works for money, but provides a service of helping people.

When thinking of starting a business you should first find a need and try to meet it with a product or service. If the need is already met by another business, then you need to be able to provide a better product or experience.

### **“Why might coffee be a good product to sell?”**

1. Many people already drink coffee. That means there is a market for coffee.

In this example market means a group of people considered possible buyers of our coffee.

2. Coffee is consumable.

Consumable means to consume or use up. You want your customers to buy more coffee from you every month. That means, if you keep your customers happy, you won't have to keep finding new customers.

3. It is affordable to purchase and re-sell for a profit.

A good rule in business is to sell something for double the amount you paid for it.

**“If you buy coffee from the roaster for \$5.00 a bag, what should be your sales price?”**

### **“Who do you think will buy your coffee?”**

1. People who already drink coffee.

If people already drink coffee they are a good candidate to purchase coffee from you.

2. People that want to see you succeed in your education.

3. Family, neighbors, church friends, your parent's co-workers, local businesses.

Before we start our business we need to set some financial goals.

### **“What would you like to work towards?”**

(Examples: Piano, gymnastic or horseback riding lessons; new video games, bike, ripstick, clothes, music, charity, fundraising, college, car or savings.)

Continue on to **Lesson 1-Assignments**.

# Lesson 1 Assignments

Starting a Business

## Goal Setting Worksheet

“What is a goal?”

A goal is something you want to make happen in the future.

If you want to take gymnastic lessons each month or buy a Nintendo Wii, these are goals.

Goals should be: 1) specific 2) realistic 3) timely 4) written

### 1. Specific: “How much money will it take to reach that goal?”

When setting goals it is important to be specific. If your goal is to take gymnastics or to purchase a Nintendo Wii, how much will it cost? You may find you have several goals. Write them all down and then set some priorities such as which are most important to you.

### 2. Realistic: “Is your goal realistic?”

Setting a goal to make \$1000 each month might not be a realistic goal. However, setting a goal of \$50-\$150 a month is possible.

### 3. Timely: “Can you earn enough money in a reasonable amount of time to reach your goal?”

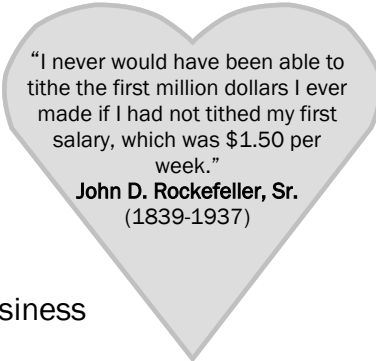
Will waiting 2-4 months to earn enough money for a Nintendo Wii be acceptable, or do you want to select a goal that you can meet faster?

### 4. Written: Writing down your goals will help you stick to them.

Temptations will come in the form of “impulse buys.” You don’t want to spend your income on things other than your goals. Written goals will remind you of what you value as important.

Something to consider when making goals is giving back.

It is the responsibility of each person, whether a member of a family, a school, an organization, a church or a citizen of a community to “give back.” A business is like a person and an important part of any business should be to “give back.”



“I never would have been able to tithe the first million dollars I ever made if I had not tithed my first salary, which was \$1.50 per week.”

**John D. Rockefeller, Sr.**  
(1839-1937)

## “Why do you think you should give back?”

Having coffee to sell is dependent on farmers in Colombia. “**Would you have a coffee business without coffee farmers?**” In addition, selling coffee depends on people. Without people to buy your coffee you cannot make money. To make money you need others and by giving back you are showing you are thankful and conscientious. (*Act 20:35 “It is more blessed to give than to receive.”*)

## “What are some ways you can give back?”

### 1. Financially—Give money.

Select a charity or organization that you would really like to help. There are hundreds of worthy charities or organizations that need financial support. Select one that is personal to you. If you can't think of any, ask friends and family for suggestions. Then follow the news on that organization to see how your money is making a difference.

### 2. Donate coffee.

Find an elderly person on a fixed income, a church, community shelter or someone you know that just lost a job and donate them a bag of coffee each month.

### 3. Donate your time.

Find a meaningful way to donate your time to your community, your church or an organization.

*“Some people give time, some money, some their skills and connections, some literally give their life's blood. But everyone has something to give.” Barbara Bush*

Whichever way you choose to give back, make sure your customers know. They will be more loyal to support you in your business if you are giving back. You will be able to do this in your sales presentation (**Lesson 3**) and on your coffee label (**Lesson 2**). We lead by example giving 10% of our profit to an orphanage in Zimbabwe and the roaster supports Coffee Kids. It is an organization that help families in coffee-producing regions around the world improve their quality of life ([www.coffeekids.org](http://www.coffeekids.org)).

How and how much you give back is your choice. The bible calls people to give a 10th of what they make to the Lord, but some families have given up to 30%. Decide on who and how much before you write your goals, because you will need to consider the cost of giving when establishing your goals.

Continue now to **Assignment 1**.

# Assignment 1 Write your goals .

On a separate sheet of paper write down a list of 3-5 goals and costs associated with them.

Now that you have your goals written. Let's evaluate them.

For our examples, let's say you buy the coffee from the coffee roaster for \$5.00 a pound and you sell it for \$10.00 a pound.

**“How much money will you make for each bag of coffee you sell?”**

$$\begin{array}{r} \$10.00 \\ - \$5.00 \\ \hline = \$5.00 \end{array}$$

(Sales Prices) – (Purchase Price) = (Profit)

**“Let's look at which thing you want the most and evaluate it based on our criteria of being specific, realistic and timely.”** Review the following questions with your child, following the examples for assistance.

## 1. Specific:

**“How many bags of coffee will you need to sell to reach your goal?”**

For example, gymnastics lessons cost \$50.00 each month. To calculate how many bags of coffee you would need to sell each month, you would divide the cost of the goal (\$50.00) by the profit (\$5.00) you make on each bag of coffee (\$50.00 for gymnastics ÷ \$5.00 in profit = 10 bags.) You would need to sell 10 bags a month to participate in gymnastics. However if you decide to give back 10% of your profit to a charity that would be \$5.00 (\$50 profit x 10% donation), so you really need to sell 11 bags a month. Another consideration is expenses. What are expenses? They are anything that cost you money to run your business (printing or postage costs.) In the beginning, do your best to estimate your expenses and in the months ahead you can always make adjustments.

## 2. Realistic:

**“Are you able to sell a realistic number of bags to reach your goal?”**

A \$300 Nintendo Wii would require selling 60 bags. (\$300 ÷ \$5.00 profit= 60 bags)

It might be realistic to sell 60 bags, but probably not in one month.

## 3. Timely:

**“How long will it take to reach your goal?”**

If you want a Ninetendo Wii, you would have to sell 10 bags a month for 6 months. If you don't want to wait for 6 months then you'll have to sell more each month. (Note: This example does not take into account expenses and/or giving back.)

“Are you happy with your goals?”


“How many bags of coffee do you want to sell each month?”

“Can you think of people who would like to buy your coffee?”.

## Assignment 2 :

# Create a Prospect List

Now is the time to start a list of prospective customers. A **Prospect List Form** has been provided in the **Forms Section** for you to list names of people you know drink coffee or think might want to support your business. Ideas for prospective customers include family, friends, church member, neighbors or businesses. By listing names and phone numbers on one sheet you will be well organized for your first day of sales calls.




## Prospects List

List all possible people that can become a customer. Keep detail notes of each person you contact. If they don't purchase from you, always thank them for their time and then ask for a referral.

Name	Phone	Who Referred	Notes

# Assignment 3: Place your coffee order.

Now that you know your goals and how many bags of coffee you need to , you can place your order for your first month of sales. A **Purchase Order Form** has been provided in the **Forms Section**. Complete the order form and mail, fax or email your order. Also for quantities in ten (10) bag increments you can place your order online.



## Purchase Order How-To:

1. Make copies of the Purchase Order Form (on the reverse side) for future use or print extra copies off the CD-Rom.
2. Fill out all the information and then fax, email or mail your order. (A written copy is required for our records, so phone orders will not be accepted.)
 


Keep a copy of your purchase order form for each order. It will serve as a record to remind you when you ordered and what you ordered each month.
3. Coffee is a commodity. A commodity is anything for which there is a demand, but can be supplied by many different markets. A commodity's price is determined by the market as a whole. Since coffee is an actively traded commodity, the price fluctuate.

It is the goal of FatBrain Coffee to provided a standard price of \$5.00 for one pound bags. Please be advised that the price may change from time to time. An invoice will either accompany your coffee order or will be provided by e-mail or U.S. Mail.

4. Coffee can be purchased with via [www.paypal.com](http://www.paypal.com): a check or any major credit card. When paying with a check, your order will be mailed once your check as been received. Please note that a \$20 fee will be charge for any check returned from the bank for any reason.

Fax Number: 863-248-2132  
 Email: [Orders@FatBrainCoffee.com](mailto:Orders@FatBrainCoffee.com)  
 Mailing Address: FatBrain Coffee, P.O. Box 2214, Lakeland, Florida 33806.

Purchase Order Form on Reverse Side.



## Purchase Order

Fax: 863-248-2132  
 Email: [Orders@FatBrainCoffee.com](mailto:Orders@FatBrainCoffee.com)  
 FatBrain Coffee, P.O. Box 2214, Lakeland, FL 33806

Date: \_\_\_\_\_

Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

Email Address: \_\_\_\_\_

Shipping Address: (No P.O. Boxes) \_\_\_\_\_

Quantity (Minimum order is 10 bags)	Description	Size	Price*	Total
1	Dark Roast Grounds	1 pound bag	\$5.00	
1	Decaffeinated Medium Roast Grounds	1 pound bag	\$5.00	

\* It is the goal of FatBrain Coffee to provided a standard price of \$5.00 for one pound bags. Please be advised that the price may change from time to time. An invoice will either accompany your coffee order or will be provided by e-mail or U.S. Mail.

How would you like to pay (select one of the following):

I will mail a check. (Mail your check to FatBrain Coffee, P.O. Box 2214, Lakeland, FL 33806)

Paypal Please provide your email address, an invoice will be sent to you : \_\_\_\_\_

Credit Card Select:  Visa  Mastercard  Discover  American Express

Name as it Appears on Credit Card: \_\_\_\_\_

Billing Address for Credit Card: \_\_\_\_\_

Shipping Address (if different): \_\_\_\_\_

Credit Card Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Security Code: \_\_\_\_\_ (For Visa, MasterCard and Discover the three-digit CSC printed on the back of the card. American Express the four-digit CSC printed on the front of the card above the card's account number.)

Signature \_\_\_\_\_ Date: \_\_\_\_\_

# Assignment 4: Determine your sales price

**FatBrain** Coffee is considered a higher quality coffee for the following reasons.

1. Fresh Roasted

The **FatBrain** roaster provides us with freshly roasted ground coffee that is usually less than a week old. Coffee purchased in stores is typically much older and therefore lacks the quality taste.

2. 100% Colombian

The coffee we provide is 100% Colombian and not a blend of coffee from various regions. This means a more smooth and consistent taste.

3. Arabica (u-rah-bi-kuh)

Our coffee is Arabica, which means that the coffee bean has been grown in an elevated climate which give the bean a better distinctive taste.

4. Coffee Kids

Our roaster supports Coffee Kids. Coffee Kids has helped thousands of children, women, and men in coffee-producing regions around the world to improve the quality of their lives and build more sustainable communities. Working with local non-governmental community organizations in Latin America it seeks to create education, health-care, training, and micro-enterprise programs for coffee farmers and their families.

Educating yourself about the coffee will help you determine a sales price. Our family looked at the local market and found that comparable quality coffee typically sold in 12 oz. bags for \$8.00-\$9.00. Based on these findings, we sell our 16 oz. bag for \$11. We have friends that have gone down to \$10.00 for calculating ease. It's up to you.

**“What do you think your coffee price should be?”**