

## Week 2 Lecture 2: Starting a Small Business

Scene #	Scene/Interaction	Narration
1	<b>Interaction Type:</b> Conversation <b>Scene:</b> Classroom	<p><b>Dr. Benson:</b> In today's lecture, we will discuss key reasons for launching a small business, opportunities for competitive advantage, threats, and strategies to facilitate success</p> <p><b>Dr. Benson:</b> What are some of the reasons for starting a small business?</p> <p><b>Tonya:</b> To be your own boss and enjoys the profits.</p> <p><b>Dr. Benson:</b> That's a good response. Starting a small business venture sometimes requires sacrifices such as leaving a job with a stable income to pursue one's passion. Some key reasons why people choose to start a small business include: having the opportunity to earn an unlimited income, having the flexibility to determine one's own schedule, and having an idea that would fulfill market needs.</p> <p><b>Dr. Benson:</b> There are a number of opportunities for small businesses to exploit to gain competitive advantage over larger businesses.</p> <p><b>Cheryl:</b> How is that possible?</p> <p><b>Dr. Benson:</b> Small businesses can create niche markets by focusing on a small group of customers. If this niche market is well managed, they would create a strong reputation and customer loyalty.</p> <p><b>Ryan:</b> I don't really understand how a business with such a small customer base can maintain profitability.</p> <p><b>Dr. Benson:</b> Due to their size, small businesses are much closer to their customers. They are able to pay particular attention to issues affecting customers and their needs. Also, because they are closer to their customers, they can easily create new products or services, and customize their offerings to meet their customers' needs and gain competitive advantage.</p> <p><b>Ryan:</b> That makes sense. Thanks.</p> <p><b>Dr. Benson:</b> <b>[Pause]</b> Let's discuss some small business threats.</p> <p>Because many small businesses are run on low budgets, it requires a tremendous amount of marketing, planning, and implementation of effective strategies to turn a profit. For example, poor handling of loans or investments often lead to the demise of small businesses. Other threats are poor planning, new costs, changes in taxes and compliance rules, and the inability to raise funds for expansion.</p>

		<p><b>Rosa:</b> How does poor handling of loan payments affect small businesses?</p> <p><b>Dr. Benson:</b> Failure to repay loans by their due dates could result in a poor credit rating and make it difficult to borrow in the future. It is therefore important for small business to renegotiate their payment plans, if necessary. This minimizes the adverse impact on their credit.</p> <p><b>[Pause]</b> Now to our last topic, strategies and tools to facilitate success.</p> <p><b>Dr. Benson:</b> Running an effective business requires careful planning. A key component of business planning includes the development and implementation of specific success strategies and improvement in efficiency. Successful business strategies include: the ability to produce quality products and services, using the right marketing channel for distribution, minimizing expenses, and continuing to find ways to add value to products.</p> <p><b>[slight pause]</b> Now you that you're familiar with issues associated with running a small business, let's stop for a moment and apply this knowledge to the scenario interaction for this week.</p>
2	<p><b>Interaction Type:</b> Assessment  <b>Scene:</b> Background graphic should look like a mobile device such as a tablet or iPad device. Include photos of scenario character "Chris" and "Erica". Use the same voice as the instructor for the narration. Make it seem as though they are listening to the teacher while looking at the assessment text on their mobile device. Show text and include audio.  <b>Assessment Type:</b> multiple choice question.  <b>Correct Answer: C</b></p>	<p>What steps can Chris and Erica take to help them become more familiar with their customers?</p> <p>A: Increase the serving portions on the menu.          B: Ask employees to distribute questionnaires to customers on their way out of the café.          C: Personally greet customers when they enter the café and follow up after they have been served for a conversation.          Or D: Do nothing because the café is located in the center of town with a large population.</p>
2a	<p><b>Interaction Type:</b> Assessment Feedback  <b>Scene:</b> Same as assessment, however please change the character images to express the look of an incorrect answer if the answer given is incorrect, or a correct answer if the answer given is correct. Also show the feedback in text form as well as audio.  <b>Number of Attempts: 1</b></p>	<p><b>Feedback Answer A:</b> Although customers would appreciate an increase in serving portions, it would not necessarily get Chris and Erica closer to their customers. The correct answer is C. Greeting customers as they enter the café and following up after they have been served, would provide the owners the opportunity to have rapport with customers, determine their preferences, and use this information to improve the business.</p> <p><b>Feedback Answer B:</b> Although questionnaires help to determine customer preferences to some extent, it is impersonal and would not help the owners get closer to their customers. The correct answer is C. Greeting customers as they enter the café and following up after they have been served, would provide the owners the opportunity to have rapport with customers, determine their preferences, and use this information to improve the business.</p> <p><b>Feedback Answer C:</b> Correct! Greeting customers as they</p>

		<p>enter the café and following up after they have been served, would provide the owners the opportunity to have rapport with customers, determine their preferences, and use this information to improve the business.</p> <p><b>Feedback Answer D:</b> Although the location of the café may be strategic, the business may not be successful if they don't get to know their customers. The correct answer is C. Greeting customers as they enter the café and following up after they have been served, would provide the owners the opportunity to have rapport with customers, determine their preferences, and use this information to improve the business.</p>
3	<p><b>Interaction Type:</b> Conversation  <b>Scene:</b> Classroom</p>	<p><b>Dr. Benson:</b> Looking back at today's lecture, we learned that key reasons why people choose to start a small business include having the opportunity to earn an unlimited income. Also, we learned that poor management of expenses and lack of proper planning are potential threats to small businesses. Finally, we discussed strategies to gain competitive advantage, and to facilitate success.</p> <p>This concludes our lesson.</p>