

INTRODUCTION TO BUSINESS

Product Development

Business is any activity that seeks profit by providing goods or services to others. Businesses provide you with necessities. Businesses also provide people with the opportunity to become wealthy. A business must *organize* the people and equipment to provide the product. People within the organization *manage* the company’s resources to *produce* the good/service. The company *markets* the good or service by deciding where to sell it and how to advertise it.

A basic economic problem for any society is how to manage its resources. To meet the wants and needs of its people, a society must produce products, meaning goods and services. The means to produce them are called economic resources, or **factors of production**. The raw materials found in nature are called **natural resources**. Natural resources become factors of production when we use them to produce goods/services. The knowledge, efforts, and skills people bring to their work are called **human resources**, or labor. Labor can be skilled or unskilled, physical or intellectual. **Capital resources** are the things used to produce goods and services, like money, buildings, materials, and equipment. Meeting the changing wants and needs of people requires **entrepreneurial resources**. Entrepreneurs improve on ways to use resources or create and produce new ones. Entrepreneurs go through a sequence of business activities in developing their product: determine opportunity, demand, funding, factors of production, production, marketing, and recordkeeping.

Assignment: Develop an original or improved good or service by first creating, labeling, and describing the design and then creating a marketable name. Associate the good or service with the four business activities and the three factors of production listed below; write the text in **business report format**. The following scoring guide will be used in evaluating your work.

| Evaluation Criteria | 20 | 15 | 10 | 5 | Total |
|--|----------------|------------------|--------------------|----------------|-------|
| Good/Service Design— Description & Function | Buy Today | Buy Tomorrow | Buy Later | Never Buy | |
| Graphic—Detailed drawing with labels and Product Name | Very Memorable | Fairly Memorable | Slightly Memorable | Can’t Remember | |
| Business Activities— Associate with Good/Service | 4 | 3 | 2 | 1 | |
| Factors of Production— Associate with Good/Service | 3 | 2 | 1 | - | |
| Formatting & Mechanics | 0 Errors | 1-2 Errors | 3-5 Errors | >5 Errors | |
| | | | | | 100 |

PRODUCT DEVELOPMENT PROJECT

Your Name

Product Description

Describe in detail your good or service. Includes details of good, service, graphic, product name. Name of the product and the reason that the product name was chosen, for example, “Corral Critters is the name of my collectibles, because it is catchy with the two C’s....” This should be multiple paragraphs.

Business Activities

Opportunities. Determines opportunities for good/service -- why do you think this will be a profitable new idea for a particular target market and geographical area?

Demand. Evaluate demand for the product – how did you determine that people want this product.

Funding. How will you obtain start-up money and operating capital to cover costs? Describe everything you would need funding for in the production of the good/service – why do you think this will be a profitable new idea?

Marketing. Markets the good or service to ensure consumers know how to get it and what it does. Describe the typical consumer for this product (demographic). What advertising medium would you use (TV, newspaper, Internet, direct mail, radio, etc.). Why did you choose that medium?

Factors of Production

Capital. Describe in detail the source of money, the type of building required, and specific materials and machines used in product.

Natural. Describe, from start to finish, the process of turning the natural resource(s) into the product (take into consideration every component of the product and packaging materials).

Human. Types and number of job positions needed to run operations. Skills needed.

Graphic

Give an example of what you label or logo will look like. This is a VERY SIMPLE example.

Corral Critters

Collect all 20!

**"The most realistic
collectables you've ever
seen!"**

