



BCE Parent / Teacher Guide (v. 1.0)

How to use this guide

While Best. Cookie. Ever. is written to expose challenges and problems involved in the undertaking of a business and then provide some clear advice and solutions, some of the concepts are challenging and may require more practice and explanation. This guide is designed to provide some suggestions for the follow-up. You can let the reader tell you any concepts they didn't quite understand or you could use some of the provided questions to gauge their understanding. The author invites you to send requests for additional resources or explanation that might benefit all readers. Just email anna@bestcookieever.biz

Vocabulary

A great place to start is to make sure that the business terms introduced in the book are understood. Here's a list with respective page numbers:

entrepreneur (5)	sales, profit (24)	bankrupt (45)	eaches, bundles (76)
prototype (7)	checklist (25)	foot traffic (48)	conditioning (76)
bartering (11)	production costs (27)	incentivize (53)	looking at the numbers (78)
market research (13)	price, cost (30)	algebra (53)	break-even point (83)
marketing (17)	total cost (30)	back of the napkin (54)	percentages (85)
brand (18)	direct costs (32)	quality (55)	reinvestment (86)
consultants (18)	table (32)	capitalization (58)	capacity (89)
drawing board (18)	business plan (35)	return on investment (58)	
factor-label method (20)	labor costs (39)	interest (58)	
up-selling (23)	benefits (44)	partner (58)	

Business Concepts

1. Have you ever heard the phrase “it takes money to make money?” Do you know what it means? Related to **Capitalization** - or the idea that one must pay for research and development, prototypes, rent and/or construction costs, equipment, materials, certain labor costs, incorporation costs with governmental agencies, etc - all BEFORE they sell their first product. SUGGESTION: Pick a different business and ask the student what kinds of costs that they would expect to have to pay up front.
2. **Market Research.** Perhaps the entrepreneur’s most important decision is the product that he or she chooses to produce. How the entrepreneur feels about the product is definitely important, but more importantly is how other people - specifically the “target market” (people who you’re trying to sell to) - how they feel about the product. That’s what market research tries to answer. This is one way that entrepreneurs offset their perceived risk. If they already have information about how real people feel about their product, its price, its functionality, etc., that gives them important feedback. SUGGESTION: Go to some kind of discount store and have the student buy a small product there. Have them act like it’s their own product and come up with a market research questionnaire to ask people how they feel about the product. Use the Internet to research the format of such a questionnaire.
3. **Marketing** (defined on p. 17.) Business school teaches about the 4 P’s of Marketing - Price, Product, Promotion, & Place. It’s important that the student knows that marketing is not just selling and sales - that’s only a part of it. The product development itself is marketing, as well as where it’s sold. SUGGESTION: Talk about the differences about how the parent or teacher bought products and how they are purchased today. Examples may include airline tickets, books, “eating out”, buying music.
4. **Strategy.** Simply stated, having a carefully thought out plan about how you see your business growing. Listing what is known and assumptions that are made. This is a baseline and a roadmap. If it works (even partially), then you have something to work with, something to modify. If it doesn’t work, you know what didn’t work and you can make a different plan. There are countless examples of miscalculations on the part of companies and entrepreneurs. Example include Thomas Edison and the light bulb, IBM’s lack of vision with the growth of technology, the emerging concepts of cryptocurrency and meta verse (early adopters vs. skeptics.)

5. **Differentiation.** On pp 43-44, Mr. Williams is talking with Anna about the various “benefits” of her cookie and of other cookies. This discussion is around differentiation - or how a product can set it self apart from others in the marketplace. SUGGESTION: Choose a product or service that is familiar to the student and that has several alternatives to the consumer. Have the student think about the alternatives and come of with some points of differentiation. A stark example of this might be “eating out.” Consider Ruth’s Chris Steakhouse and Arby’s. What are the differences? Price, quality of food, speed of service, environment, # of locations, servers, type and knowledge of servers. There could be others. When two types of products differ to such a large degree, there are many times market terms used, like “fine dining” and “Quick Service Restaurants.” After this distinction, then one can further evaluate the players within each category.
6. **Incentives.** On page 53, Mr. Williams talks with Anna about incentivization. Talk about how everybody likes a good deal. Sure, it’s great to get a deal on one item, but what if you BOGO (Buy one, Get one Free.) Businesses want to sell more and often have enough “margin” on each product to give a little break to the consumer. SUGGESTION: Have student look through some weekly store advertisements from a grocery store or newspaper and look for examples of offering incentives. Cell phone companies are another good example. Also, have the student think about companies that DON’T offer incentives (Hint: Apple, for one.) Ask the student why they might NOT use these? (Apple is a market and innovation leader, strong following, their product is good enough that they can set the price at what they want, not a lot of real competitors.)

Math Concepts

1. **Factor-Labeling.** This is important in almost any business and especially with anything related to the sciences. Factor labeling is essential converting from one unit to another; what you have and what you need. SUGGESTION: Use some of the following problems for practice:
- 70 miles per hour > kilometers per hour (need 1 mile = 1.61 km)
 - 35 feet > inches (need 1 foot = 12 inches)
 - 5 lbs > kilograms (1 kg = 2.2 lbs)
 - \$125 > Euros (Need to lookup current exchange rate on Internet)
 - 50 guests > boxes of rice needed (assume: 1/2 cup rice per person; 4 cups of rice per box.) Note this is TWO factor labels.

2. **Break-Even Point.** In order to calculate BEP or the # of units you have to sell to cover all of your costs (overhead and direct costs), you have to know:

- Variable cost per unit of product (what it specifically takes in labor and material to make ONE.)
- Overhead costs - typically management salaries, rent or mortgage payment, furniture and equipment (these will typically be depreciated over time, which is not covered in this book.)
- Price you are charging per unit.

Example:

Wooden stool maker wants to find MONTHLY BEP for his new stool line. It takes \$15 of wood, \$15 in labor, \$5 in glue, screws and other materials for stool. His overhead costs are \$1000 per month, and there is one supervisor who makes \$30,000 per year. He thinks he can charge \$55 for each stool. What's his monthly breakeven point?

Total VARIABLE COST is $15 + 15 + 5 = \$35$

Price - \$55; Contribution Margin (what's left over after VC) = $\$55 - \$35 = \$20$

Overhead per month = $\$1000 + (\$30,000 / 12 = \$2500) = \$3,500$

Breakeven Point = $\$3,500 / \$20 = \underline{175 \text{ stools per month}}$.

Take this example and replace the product and the costs with different numbers or change the price to see how that changes the Breakeven. Business people do this all the time to get an idea of how much they need to sell to make something worthwhile.

3. **Using a calculator.** It's extremely important that students can do calculations by hand so that they understand what's happening when you add, subtract, multiply or divide. And they should practice this. But when it comes to running a business, it takes too much time to do every calculation by hand. It's a very useful skill to learn how to efficiently use a calculator, typing the numbers in the right order, understanding when to press "=" and when you can hit another operator key. SUGGESTION: Have the student re-add up a grocery receipt or restaurant receipt. Make sure that students understand PEMDAS - the order of operations for complicated strings of numbers. These types of problems can be easily found on the Internet.

Feelings & Attitudes

1. **Failure.** Early on in the story, Anna fails at what she sets out to do. The lesson here is that everybody is going to fail at something at some point in their life. It's a good lesson to learn. The key is not the failure, it's what you do after the failure. What are you going to do with this learning experience? Does it shape you for the better or worse? The author's argument is that it can do either, but you have the ability to

choose which. Anna's dad makes the point in the book that "what's the worst thing that can happen if you do fail?" Thinking that through and getting past that fear plus working hard towards success is a solid state of mind for anyone, but especially an entrepreneur. SUGGESTION: Talk about your failures and what you've learned; Find someone that the student respects or likes and read about them to see what kind of failures they experienced in their lives.

- 2. Asking for help.** At first, Anna thinks she knows how to run a business (she doesn't know what she doesn't know.) After that, she is very open to listening to others who have more experience and knowledge than her in this area. Asking for help is a really important skillset. Surrounding yourself with people that are smarter than you, more experienced than you makes you a better person, better leader, better entrepreneur. It doesn't mean that you have to follow every piece of advice that you ever get - that's a risk proposition that you take. Should I take this advice or go with my gut? There's no hard and fast rule for that. But listening to wise council - that's ancient advice that pays off big (Ref: Proverbs 12:15, "The way of fools seems right to them, but the wise listen to advice.")
- 3. Independent Thinking.** Per #2 above, asking for help is essential to growing, but not to the detriment of forming one's own thoughts, questions, opinions, and ideas. On page 14, Mr. Williams calls Anna on this. In a way, thinking through and about something before you ask for help leverages the advice and ideas of others. Instead of hearing something for the first time, new ideas and resonate (or not) with your own ideas. It also makes for a more efficient exchange of ideas. Simply stated, it turns a lecture into a conversation. Lastly, it shows respect to others that you are invested in learning and are not just using the other person. SUGGESTION: Think about some kind of problem in the world, problem with a product or service (there are plenty of these, too.) or a personal problem that the student might have. Have them brainstorm WHY the problem exists in the first place and then some possible solutions. Additionally, take them to a store and look at two similar products and ask them to decide which one would be the better to buy and why.
- 4. Organizing thoughts, using lists.** This is advice that Anna's mom gives her on page 25. Busy people have many thoughts coursing through their brains, sometimes competing for the same "bandwidth." One can easily get overwhelmed. There are some activities that can truly be multi-tasked (eating a sandwich while doing research on the Internet or writing a paper), but many things cannot be worked on at the same time. The mind is jumping back and forth working (or thinking about) one or the other. Lists or a journal help to get thoughts out of mind and into another place where they won't get forgotten. This can minimize distractions, increase efficiency, and reduce the stress of hoping that you're not forgetting anything. SUGGESTION: Look for an opportunity to help your student utilize a list to work on a project or large task. Show them how to get things on a page, cross out what's completed, and add new items.