

Oakland County Fair Entrepreneurship Worksheet

Complete this on a separate sheet of paper. Please type your answers.

ALL ABOUT YOUR ITEM:

Describe your item for auction.

What would be your elevator pitch (100 word limit describing your item)?
We will use this description at the auction.

Have you done any market research for your item?

What makes your item special?

Who would be your potential customers?

Who would be your competitors?

If you sold your item in your community, where would you sell it at and why?

ALL ABOUT THE MAKING OF YOUR ITEM:

Why did you make your item?

What skills did you use to manufacture your item?

Did you acquire new skills just to make this item? How did you learn these new skills?

COST AND TIME ANALYSIS:

Computing your labor costs - your time has value.

If this was your employment you would want to be paid for your time. Choose what rate per hour you feel your time is worth. Multiply the amount of time spent on your project by the hourly rate.

How much time did it take to make your item? _____ hours _____ minutes

multiply by

Your hourly rate (choose rate) \$ _____ per hour

The answer is your labor cost per item \$ _____

NEXT is your item costs - the costs of all your materials that made the item

List the materials used to make your item.

materials	quantity used	cost	where acquired
Example - nails	15	\$0.30	Hardware store
2 x 4 wood	1 8' length	\$5.52	Hardware store
blue acrylic paint	½ bottle	\$0.89	Craft store
wood glue	¼ bottle	\$0.24	Mom's supply
		\$6.95	Total costs

Did you have to purchase any special tools to make your item?

List tools and cost to purchase.

Now you know the costs of your materials. Now to compute you markup. Markup is the difference between the cost of a good or service and its selling price. A markup is added onto the total cost incurred by you in order to create a profit. The total cost reflects the total amount of your expenses to produce your item.

What percentage of profit do you want? For example, I wish to have a 30% markup. The formula to use is Total material costs 6.95 X (multiplied by) .30 (30%) = 2.09. So my markup per item is 2.09. Calculate your markup: _____

Market Value - the total of all 3 costs.

	\$ per item
Material costs	
Mark up (%)	
Labor costs	
TOTAL COST	

If you were selling this at a retail store what price would you price your item and why?

Would you want to start a business with your item? Why or why not?

AUCTION DETAILS:

Your item will be auctioned the last Sunday of Fair. As the entrepreneur, it is your job to get and encourage buyers to bid on your item. This is called marketing. Marketing is the way you interact with consumers (buyers) to create relationships that are beneficial to both parties. Businesses use marketing to identify their customers before advertising to them. One way is through social media and word of mouth.

How do you plan on marketing your auction item?

What price do you hope your item sells at?

Do you have a reserve price? If yes, what is it?

What is Reserve Price:

A minimum dollar amount that you will accept as the winning bid in the auction. The reserve price prevents the auction from being won at a price that is lower than you will accept. The auction's starting price tends to start lower than the reserve price to encourage bidding, but is forced to end at or above the reserve price or the auction is canceled. Auction bidders dislike reserve prices because they reduce the possibility of winning the auction at a bargain price, and because they create uncertainty over the minimum price that must be paid to win the auction.

The amount of your reserve price will not be shown to your bidders, but they will see that your listing has a reserve price. If bidding has not reached your reserve price when the bidding ends, you're not required to sell your item.

Include a clear photo (5x7 size) of your auction item.

Exhibit Hall Committee wishes you all the best of luck in the auction.