

BUSINESS MODEL MATCH-UP ACTIVITY



Grade level & Curriculum Connections:

- Suitable for Grades 9-12
- Accounting Essentials, Grade 11, (BAI3E) Workplace Preparation
- Entrepreneurship: The Venture, (BDI3C) Grade 11, College Preparation
- Entrepreneurship: The Enterprising Person, (BDP3O) Grade 11, Open
- Entrepreneurship: Venture Planning in an Electronic Age, (BDV4C) Grade 12, College Preparation
- Marketing: Goods, Services, Events, (BMI3C) Grade 11, College Preparation
- Marketing: Retail and Service, (BMX3E) Grade 11, Workplace Preparation
- Business Leadership: Becoming a Manager, (BOG4E) Grade 12, Workplace Preparation
- Launching and Leading a Business, Grade 10, Open (BEP2O)
- Building the Entrepreneurial Mindset, Grade 9, Open (BEM1O)

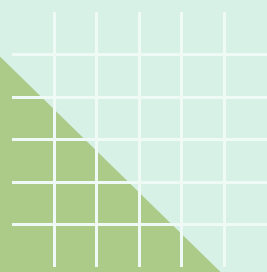
Materials

A1: [Business Model Match-up Student Handout](#) (Shareable Google Document)

Learning Goals & Timing

- **Understand the different types of business ownership** - Students should be able to describe the characteristics of sole proprietorships, partnerships, corporations, and co-operatives.
- **Apply knowledge to real-world scenarios** - Students should be able to analyze various business scenarios and determine which type of ownership would be most suitable.
- **Enhance communication skills** - Students should be able to effectively communicate their understanding of business ownership concepts and their application to different scenarios.
- **Develop critical thinking skills** - Students should be able to justify their choice of business ownership for specific scenarios based on evidence and reasoning.

This activity should take approximately 50 minutes.



01

Lesson Introduction & Instructions

Introduce the activity and review tasks.

Sample teacher script:

- We will start with a brief review of the four business types we will be exploring in this activity; Sole Proprietorship, Partnership, Corporation and Co-operative.
- You will then work (independently or in small groups) to review various business scenarios and select the best business type for each situation, making sure to provide a rationale for your choices. You will record your thoughts on the handout and turn it in for assessment.
- (Optional) We will share back individual/group results with the class.
- By the end of this activity, you should be able to analyze different business scenarios, identify the unique needs and goals of each scenario, and select the most appropriate type of business ownership to maximize success and meet the needs of the business owners.

02

Part 1

Take a few minutes to review the four main business types in Canada with the class; Sole Proprietorship, Partnership, Corporation and Co-operative. (5-10 minutes)

(Optional) Here's a link to a plain-language, easy to understand [video](#) explaining the four business models typically used in Canada. (8:37 minutes)

03

Part 2

Students can work independently on this task, or you may wish to divide students into smaller groups of 3-4 people. Using the handout (A1) students will analyze each business scenario and identify which of the four business models they feel is the best match for each situation, providing a rationale for their choice. (20 minutes)

Students will turn in their handout (A1) for assessment.

03

Part 3

(Optional) Once the students have had a chance to complete the handout and record their ideas, it's time to encourage share back from the students. This is a chance for students to share the results of their individual assessment or group discussions. Invite students to reflect on the characteristics and suitability of each business type (teacher prompts included below). This activity can help reinforce the concepts introduced in the activity and encourage students to think critically about the different types of business ownership and how they reflect the needs of business owners. (20 minutes)

Scenario #1: Pixel Quest Studios Teacher's Guide

Scenario #1: Pixel Quest Studios

Answer: Co-operative

Scenario: A group of passionate and skilled video game designers, programmers, and artists come together with a shared vision of creating innovative and socially impactful video games. They recognize the challenges of breaking into the competitive gaming industry as individual developers and decide to work together to support each other's creative endeavors.

Start-Up Business: Pixel Quest Studios

Description: Pixel Quest Studios is a collaborative venture founded by a team of talented video game developers. Their vision is to create engaging and thought-provoking video games with unique gameplay mechanics and meaningful narratives. Their plan is to collaborate on game design, programming, art assets, storytelling, and marketing efforts.

Start-up costs are high, and no one in the group has enough money to fund the venture alone, but everyone involved has money saved up that they would be willing to contribute to the business, however they don't want to put their personal assets at risk if the business doesn't work out. They would also like to be fairly paid for the work that they do.

Some members of the group weren't happy with the level of autonomy they had while working at previous game design companies, they want to have more of a say in the work they do and how they do it. Some of them like to travel and some have young families so they are looking for flexible work hours and locations.

No one in the group feels comfortable acting as the "boss." They have all known each other for a while, and would prefer to work together as equals rather than having one of them make the big decisions, and be in charge.

Rationale: Reasoning for Co-operative Business Model

- 1. Collective Creativity:** By pooling their creative talents and resources, members of Pixel Quest Co-operative Studios can collaborate on game development projects that leverage each member's unique skills and perspectives. This collective approach fosters innovation and diversity in game design.
- 2. Shared Resources:** Developing high-quality video games requires access to specialized tools, software, and equipment, which can be costly for individual developers. As a co-operative, Pixel Quest Co-operative Studios can invest in shared resources, such as game engines, graphics software, and development kits, reducing the financial burden on its members.
- 3. Mutual Support:** The gaming industry is known for its competitive nature, but Pixel Quest Co-operative Studios prioritizes cooperation and mutual support among its members. Developers share knowledge, skills, and best practices, providing valuable mentorship and encouragement to each other as they navigate the complexities of game development.
- 4. Risk Mitigation:** Launching a successful video game can be risky, with factors such as market demand, competition, and development costs impacting the outcome. As a co-operative, Pixel Quest Co-operative Studios spreads the risk of game development across its members, minimizing the financial and emotional impact of potential setbacks.
- 5. Collective Ownership and Decision-Making:** Pixel Quest Co-operative Studios operates on a democratic governance model, where members have equal voting rights and participate in decision-making processes related to project selection, resource allocation, and strategic planning. This inclusive approach ensures that all members have a voice in shaping the direction of the co-operative.

Overall, a co-operative business model provides the members of Pixel Quest Co-operative Studios with a supportive and collaborative environment to pursue their passion for video game development, while also enabling them to create meaningful and impactful games that resonate with players worldwide.

Scenario #2: CleanTech Innovations Teacher's Guide

Scenario #2 CleanTech Innovations

Answer: Corporation

Scenario: Two engineers, Ashaya and Mika, have developed a groundbreaking renewable energy technology that has the potential to revolutionize the way electricity is generated. They recognize the scale of investment needed to bring their innovation to market and the complex legal and financial considerations involved.

Start-Up Business: CleanTech Innovations

Description: CleanTech Innovations is an idea Ashaya and Mika came up with to commercialize their renewable energy technology. It focuses on developing and manufacturing advanced solar panels capable of capturing solar energy more efficiently and cost-effectively than existing technologies. CleanTech Innovations aims to address the growing demand for clean energy solutions and contribute to the global transition to sustainable power sources. Ashaya and Mika realize that there will be very high start-up costs involved to get their business up and running, neither of them have much money saved, so they will need access to capital through investors, a loan, or both. They realize that the energy sector can be risky, with a lot of competition, red-tape and rapidly emerging technology, they are worried about risking their personal assets in this venture.

If their technology works the way they believe it will, their business has the potential to grow nationally and even internationally.

Although Ashaya and Mika are brilliant engineers, they don't have the skills or expertise to run the size and scope of venture that will be needed to make this operation successful. They will definitely need the help of executives, engineers, scientists, and business professionals with the expertise and experience to drive the company's growth and success.

They need to create an appearance of credibility and professionalism in the eyes of investors, customers, suppliers, and other stakeholders.

Rationale: Reasoning for Corporation Business Model

- 1. Limited Liability:** As shareholders of a corporation, Ashaya and Mika enjoy limited liability protection, which means their personal assets are shielded from business debts and liabilities. This provides them with financial security and peace of mind, especially in an industry with significant capital investment and potential risks.
- 2. Access to Capital:** Developing and commercializing a new technology requires substantial financial resources for research, development, manufacturing, and marketing. By structuring CleanTech Innovations Inc. as a corporation, Ashaya and Mika can attract investment from venture capitalists, private investors, and institutional funds, enabling them to raise the necessary capital to scale their operations and bring their product to market.
- 3. Growth Potential:** Corporations have the flexibility to issue shares of stock and attract investors, allowing CleanTech Innovations Inc. to expand its operations, enter new markets, and pursue strategic partnerships and acquisitions. This scalability enables the corporation to capitalize on opportunities for growth and innovation in the renewable energy sector.
- 4. Professional Management:** As a corporation, CleanTech Innovations Inc. can recruit a dedicated team of executives, engineers, scientists, and business professionals with the expertise and experience to drive the company's growth and success. This professional management structure ensures efficient operations and effective decision-making, positioning the corporation for long-term viability and competitiveness in the market.
- 5. Brand Recognition and Credibility:** Operating as a corporation lends credibility and legitimacy to CleanTech Innovations Inc. in the eyes of customers, suppliers, investors, and other stakeholders. The corporate structure signals stability, professionalism, and commitment to quality, enhancing the company's brand reputation and market positioning.

Overall, a corporation provides Ashaya and Mika with the organizational structure, financial resources, and growth opportunities needed to realize their vision of CleanTech Innovations Inc. as a leading player in the renewable energy industry, driving positive environmental impact and sustainable economic growth.

Scenario #3: Zazee's Bakery Teacher's Guide

Scenario #3: Zazee's Bakery

Answer: Sole Proprietorship

Scenario: Zazee loves baking and has always dreamed of opening their own bakery. After years of perfecting their recipes and saving up money, they decide to turn their passion into a business venture.

Start-up venture: Zazee's Bakery

Description: Zazee's Bakery specializes in artisanal cakes, pastries, and desserts made from locally sourced ingredients.

Zazee has a strong vision for how they want their bakery to operate, and they have been taking courses on small business management for the last several years.

Zazee has enough money saved up to cover projected start-up costs including renting a storefront, purchasing equipment, and advertising and marketing, as well as covering operating costs for the first 12 months.

Zazee is a strong willed person who feels comfortable making decisions quickly and confidently on their own.

Rationale: Reasoning for Sole Proprietorship

- 1. Simplicity:** As the sole proprietor, Zazee has complete control over all aspects of the business. They can make decisions quickly that align with their vision for the bakery. Zazee is a strong willed person who feels comfortable making decisions quickly and confidently on their own, this is a good match for a sole proprietorship where all the decision making responsibility lies with one person.
- 2. Low Start-Up Costs:** Starting a sole proprietorship typically requires minimal initial investment and involves fewer legal formalities compared to other business structures. This is beneficial for Zazee, who is financing the business with their personal savings.
- 3. Direct Connection with Customers:** Zazee's Bakery can provide personalized customer experiences since Zazee interacts directly with their customers. This allows them to build strong relationships and tailor their products to meet their preferences.
- 4. Flexibility:** As the sole owner, Zazee has the flexibility to adapt their business model, menu offerings, and operating hours based on market demand and their personal preferences.
- 5. Tax Advantages:** In a sole proprietorship, business income is taxed at the individual level, which may offer tax advantages for Zazee, especially in the early stages of their business when profits may be modest.

Overall, a sole proprietorship provides Zazee with the autonomy, flexibility, and simplicity they need to turn their passion for baking into a successful business venture with Zazee's Bakery.

Scenario #4: Fit Buddies Fitness Studio Teacher's Guide

Scenario #4: Fit Buddies Fitness Studio

Answer: Partnership

Scenario: John and Emily are lifelong friends who share a passion for fitness and wellness. After completing their personal training certifications and gaining experience working in gyms, they decide to combine their skills and expertise to start their own fitness studio.

Start-Up Business: Fit Buddies Fitness Studio

Description: Fit Buddies Fitness Studio offers a variety of group fitness classes, personal training sessions, and wellness workshops aimed at promoting health and well-being in the local community.

John and Emily bring different skills and strengths to the business. John excels in marketing and client relations, while Emily has a passion for fitness programming and training.

John and Emily have both been diligently putting aside money while they have been working at various gyms for the past few years, they are both willing to invest their savings in the business to get it up and running.

John and Emily have a strong friendship; they trust each other, communicate well, and are not afraid to have an honest and open dialogue about issues. They also share the same vision and passion for Fit Buddies Fitness Studio.

Rationale: Reasoning for Partnership

- 1. Complementary Skills:** John and Emily bring different skills and strengths to the business. John excels in marketing and client relations, while Emily has a background in fitness programming and training. Their combined expertise allows them to offer a well-rounded fitness experience to their clients.
- 2. Shared Responsibilities:** As partners, John and Emily share the responsibilities and workload of running the business. This allows them to divide tasks based on their strengths and interests, leading to more efficient operations.
- 3. Financial Resources:** By pooling their resources, John and Emily can access more capital to invest in equipment, marketing efforts, and facility upgrades for Fit Buddies Fitness Studio. This shared financial burden reduces the individual risk for each partner.
- 4. Decision-Making:** In a partnership, major business decisions are made jointly by the partners, allowing John and Emily to collaborate on important matters such as business expansion, hiring decisions, and long-term strategic planning. John and Emily have strong communication skills, an open dialogue and a strong sense of trust with each other, which makes a partnership a good fit.
- 5. Accountability and Support:** Being business partners provides John and Emily with built-in accountability and support. They can rely on each other for motivation, encouragement, and problem-solving, fostering a strong partnership dynamic.

Overall, a partnership structure provides John and Emily with the opportunity to leverage their individual strengths, resources, and support systems to successfully launch and grow Fit Buddies Fitness Studio, achieving their shared vision of promoting health and wellness in their community.

Teacher Support

Thank you for choosing the *Business Model Match-up Activity*, we hope you had a positive experience!

For lesson delivery support email mchristmann@ontario.coop

To provide feedback, please fill out this 5 minute survey: [Teacher Survey](#)

For more lesson plans and activities, visit cooperativeminds.ca