

Grace™

Learning Guide

Help students' big ideas grow into real small-business possibilities through the stories of Grace Thomas, Girl of the Year™ 2015.

Grace™ Girl of the Year™ 2015

Dear Educator,

American Girl is pleased to introduce you and your students to Grace, the 2015 Girl of the Year. Grace Thomas is an ideas girl! Whether she's inventing a new recipe or brainstorming ways to build a business with her friends, Grace is always dreaming up the next big thing.

When Aunt Sophie invites Grace and her mother to Paris over summer vacation, Grace has the chance to get to know her French relatives—and learn about French baking! Upon returning home, she's inspired to continue the adventure by starting her own business baking French treats.

Entrepreneurship is a rich classroom topic that combines innovation, planning, problem solving, reading, writing, graphic design, math, and other skills to help students envision themselves as small-business leaders. American Girl has teamed up with the Jacobson Institute for Youth Entrepreneurship at the University of Iowa to develop this toolkit. Students in grades 3 through 6 will enjoy discovering the ins and outs of small-business development through these curriculum materials. Furthermore, Grace's three-book series provides an engaging narrative backdrop for discussing the highlights and setbacks of entrepreneurialism.

The activities in this learning guide may be structured as class discussions, small-group projects, or independent work. Even though the unit has been developed to be taught along with the three-volume story, the learning guide also includes illustrative excerpts in case reading all three books does not fit into the course schedule.

In her adventures in Paris and back home in Massachusetts, Grace learns that you're never too young to put your talents to work. We hope you and your students will enjoy taking this learning journey along with Grace.



What Is an Entrepreneur?

From Book 1, *Grace*, pages 9–10

“Someday,” I said, “I want to start a business, just like you two.”

... Grandpa said, “Well, why not? You get to be your own boss. You get an idea, and you can just run with it.”

“That’s the part that seems really fun!” I said. “Plus, I love to find something that interests me and jump on the computer to learn more. I just wish I could do something right now.”

Grandma reached for a copy of the Boston Globe behind the counter and started paging through it. “We just read something recently about kids who’ve started their own businesses . . .”

“Really? So maybe I don’t have to wait to start something?”

“Sure. You just have to come up with an idea that you can make work,” Grandpa said.

“But what would I do?” I wondered aloud.

“Brainstorm,” Grandpa said. “Keep your eyes and mind open, and you’ll come up with something.” His confidence was contagious—in a good way. I could do this. I really could!

Theme Introduction

Anyone can be an entrepreneur—at any age!—as long as he or she has these characteristics (or works to develop them):

- Looks for new ideas (opportunity-focused)
- Self-confident
- Self-reliant
- Thinks things through and is willing to try new things (calculated risk taker)
- Excited and motivated to meet goals (acts with passion for a purpose)
- Decisive
- Creative/inventive/innovative

As your students learn more about Grace, they’ll see how she’s a perfect example of the qualities described above. Have your students take this quiz to find out how they rate right now.



How Do You Rate as an Entrepreneur?

Purpose: Explore your interest in and ability for being an entrepreneur.

Instructions: Select the number that best indicates what you believe about each of the following.

Use the following scale:

Never
1

Sometimes
2

Most of the Time
3

Always
4

<i>I am a person who:</i>	<i>Never</i>	<i>Sometimes</i>	<i>Most of the Time</i>	<i>Always</i>
<i>Stands up for things I believe in</i>	1	2	3	4
<i>Believes in myself and my ideas</i>	1	2	3	4
<i>Is dependable</i>	1	2	3	4
<i>Can do anything I put my mind to</i>	1	2	3	4
<i>Is independent</i>	1	2	3	4
<i>Seeks opportunities</i>	1	2	3	4
<i>Sets goals</i>	1	2	3	4
<i>Is a hard worker</i>	1	2	3	4
<i>Is willing to take risks</i>	1	2	3	4
<i>Is competitive</i>	1	2	3	4
<i>Is creative</i>	1	2	3	4
<i>Likes learning</i>	1	2	3	4

Add up your score. Was it over 34? Then you show strong entrepreneurship characteristics and might like being an entrepreneur. Was it below 34? Then you may also be a good candidate for entrepreneurship. All entrepreneurs need to know what they are really good at and learn how to play to their strengths.

Choosing the Best Business for YOU!

From Book 1, *Grace*, page 13

“Hey,” Maddy said, her eyes shining with enthusiasm. “Why don’t we start a business . . . together?”

I shot her a smile. “Oh, that would be so fun!”

“We could sell stuff online,” Maddy said, starting to talk faster. “I’m good at art and computer stuff. And these days, everybody’s online.”

“I’m okay at math,” Ella said, her voice just above a whisper, as she waited with Murphy at the light.

“You’re okay?” I straddled my bike. “Ella Petronia, you were only the top of the third grade last year!”

Ella looked down, but the corners of her mouth turned upward. “Okay, I’m pretty good. If we start a business, I could handle numbers and money.”

I wondered what I had to offer. Then I remembered my talk with Mom on the deck. “Hey, I love to bake,” I said, feeling that fizzy energy bubbling up again. “Let’s start with a bake sale!”

Theme Introduction

A surefire way to stay excited about a business is to somehow base it on interests or skills. Grace loves to help her grandparents in their bakery—and she’s good at it—so naturally, her first thought is to build a business around baking. Help your students think of some businesses they could develop around their talents or hobbies.



Tapping into Your Potential

Identify any hobbies, talents, or interests that you currently have that could translate into a business opportunity. The goal is to develop a plan for a business that you could actually START, using the skills that you possess.



Hobbies (List fun things you like to do in your free time.)

Possible Business Opportunity:



Talents (List things you are good at.)

Possible Business Opportunity:



Interests (List things that you would like to learn more about.)

Possible Business Opportunity:

Solving Problems

Many small businesses arise from the need to solve a problem. For instance, if people have a problem exercising their dogs when they're at the office all day, someone might start a dog-walking business. For an entrepreneur, there are two key aspects of problem solving: *discovery* and *value*.

Problem Solving: Understanding Discovery and Value

Discovery

Before we go about solving a problem, how do we discover the right problem worth solving?

- Create a “bug list”: Give students writing prompts like “I wish I could . . .” or “It bugs me when . . .” If they can write down 100 problems, then they can work on narrowing the process down to things that are more important. It’s the process of starting with a broad focus and narrowing it down.
- Go wild: Don’t shoot down any of your students’ ideas during the discovery phase—no matter how impractical. You want your students to generate ideas. You should encourage all of their wild ideas and then later focus them toward a practical idea.
- Traveler’s eyes: When you are traveling, your mind is more open to new things and you are more aware of your surroundings. Try to stay in this mindset during the discovery phase in order to generate more ideas.
- Power of observation: Ask students to generate ideas in several different settings, such as the park, the mall, the school bus, and the cafeteria. Have them notice how a change of scene can change the problems they observe.

Value

After students have gone through the discovery phase, they need to think through their ideas and ask themselves, “What value am I creating by solving this problem?” This allows students to toss frivolous ideas and focus on things that are important.



My Bug List

I wish I could . . .

It bugs me that . . .

It annoys me when . . .

Knowing Your Customer—and Letting Your Customer Get to Know You

From Book 2, *Grace Stirs It Up*, page 35

“My grandpa gave me advice,” I said. “Do what you love. And make it unique.’ So I thought, I love baking, and to make a baking business more unique, we could bake French treats!”

Ella chewed her lip, the way she did when she was thinking hard.

“French treats?” said Maddy.

I nodded.

She tilted her head of copper-red hair. “But this is Massachusetts, Grace. You’re back in the U-S-A. Do you think anyone really wants French treats?”

From Book 2, *Grace Stirs It Up*, page 69

We wove in and out of people, peeking at what was behind the glass: cupcakes, cookies, and birthday cakes. Doughnuts, doughnut holes, muffins, and breads. Nothing out of the ordinary.

“They make pretty much the same stuff as most bakeries,” Ella said.

“Nothing really unique,” Maddy agreed.

“Bargain prices,” I said. “But nothing like French pastries and treats. That’s why we need to make things people can’t get here or at another bakery.”

We went back to our shopping, satisfied that we were on the right track with La Petite Pâtisserie.

Theme Introduction

Because her grandparents own their own business, Grace already knows that a good business must not only offer its customers something they want, but also something that they can’t find anywhere else. Help your students discover who their customers are, and what they want. Then help students develop a business model, which will guide how they present their business to the world.



Know Your Customer

Step 1

Describe who you believe your customer is.

Step 2

Customer Discovery: Interview your customers to find out what they need. Listen to their feedback. Is your business going to solve their problem(s)? Write down what you learned from the customer discovery interviews.

My business idea solves a problem for my customer.

YEAH! You are on the right track. Move forward with your business idea and keep talking to your customers to meet their needs and solve their problems.

My business idea does not solve a problem for my customer.

You have a couple of options:

- Did the customers you spoke with have a different problem? Perhaps you could change your business idea to meet their needs and solve their problems.
- Did you correctly identify your customer? If not, you might think about who your customer is and conduct more interviews. Be sure to listen to customer feedback. An entrepreneur is always focused on solving problems.

Once you have identified your customer, you can develop your marketing strategy!

<i>My intended customer is:</i>	
<i>Customers will buy my product because:</i>	
<i>My business meets customer needs by (think about the problem your business is solving):</i>	
<i>My business will be able to compete because:</i>	

Create a Business Model

When starting a business, it is important to have a basic business model where you can make plans for your business. The “Be the Boss” business model canvas below is a simple tool that you can use as you develop your business. You can write directly on the “Be the Boss” canvas or you can use Post-it® notes. The “Be the Boss” canvas is meant to be changed as you learn more about your business idea, your customer, your customer needs, and the problem you are solving.

“Be the Boss” Business Model Canvas

Student Name:

Title of Business:

What Is It?

Circle One: Product or Service

What are you offering your customers?

What are you selling?

What value are you adding that is better than the alternatives?

Marketing

How to Make Your Product/Service Visible to Your Customers

Where will you promote your product or service?

Why did you choose this?

How will you sell your product or service to potential customers?

How will you deliver your product or service?

Describe Your Customers

(Be specific)

Who is going to buy your product?

Why would this person want your product?

Start-Up Costs

What do you need financially to get your business off the ground and to make a profit?

What items do you need to create your product or provide your service?

How much does each item cost? What is your total cost of items?

Profits

After all expenses are paid are you going to have money left over?

How much will you price each item?

What are your customers willing to pay for it?

Create Marketing Materials

Once you've landed on a strong marketing strategy, you can get to the fun stuff: creating a company name, slogan, and logo. Take some time to figure out these pieces; then use the space below to create a business card that represents your company.

Business Name. Naming a business is very important. The business name communicates directly with your customer. In general, it is a good idea to avoid using your name unless your name is somehow important for your business. For example, an artist might use her name in order to build recognition for her artwork. For Grace and her friends, it didn't make sense to use their names. Their business name, La Petite Pâtisserie, gives customers a lot of information about their business. It's in French, which helps signal to customers that they sell French pastries (pâtisseries). The word *petite*, which means "small," lets customers know that it is a small business focused on completing relatively small orders for parties and events.

Slogan. Business slogans are short and simple. In some cases, slogans describe what a business does. In other cases, slogans are meant to inspire emotions in the customer. When coming up with your business slogan, make a list telling what your business does and words that describe how your business makes your customers feel. Have fun!

Examples:

- Nike – Just Do It
- Disney – Where Dreams Come True
- Wal-Mart – Save Money. Live Better.
- Wheaties – The Breakfast of Champions
- McDonald's – I'm Lovin' It
- Fisher-Price – Oh, the Possibilities
- Nintendo Game Boy – It's Something to Do with Your Brain
- Sony PlayStation – Live in Your World, Play in Ours
- Toys 'R' Us – I Don't Want to Grow Up
- Mac – Think Different
- iPod Shuffle – Think Random
- M&M's – Melts in Your Mouth, Not in Your Hand

Logo. Your business logo is a picture that communicates your business to your customers. Look at your business name and slogan ideas, and start to draw pictures that represent your business. Or go onto the computer and design your logo. If you are having a hard time, ask your teacher to show you some logos of different companies.

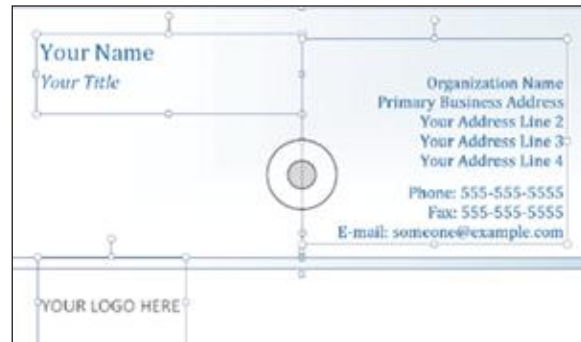
Create a Business Card

A business card is an important networking tool. Business owners carry business cards all the time in case they meet a potential customer. Business card templates are easy to find on a computer. Your teacher can assist you if you want to make a professional business card. Your business card should be simple and include the following information:

- Business Logo
- Business Name
- Business Slogan (optional)
- Your Name
- Business Address
- Business Phone
- Business E-mail
- Business Fax (optional)
- Business Website

It is always best to write out all of the information on paper before entering it into the computer. This way, you can choose where you want to put the information so that it is easy for customers to connect with you.

Here are a couple of examples from Microsoft Publisher:



Keeping the Customer Happy

From Book 2, *Grace Stirs It Up*, pages 103–104

To make things worse, we received our first complaint. Mr. Williams had sent an e-mail:

“I am very, very disappointed in your tartelettes. I waited to serve them to friends last evening and when I opened the box, the tartelettes were broken to pieces. A disaster! I could not serve them.”

My heart sank. “What do you think happened?” I said to Ella.

“Maybe the box wasn’t sturdy enough?” she suggested. Ella looked suddenly droopy, like a stuffed animal with the stuffing knocked out of her.

Mom wrapped her arm around my shoulders. “Mistakes are going to happen, Grace,” she said. “The trick is to figure out how to make it right with your customers, and then learn from the mistake so you can keep it from happening again.”

Theme Introduction

As Grace quickly learns, businesses survive based on customer satisfaction. There’s a smart saying: Satisfied customers tell three friends; angry customers tell 3,000. A business owner needs to know how to smooth things over with customers when something goes wrong. This sounds intimidating, but really, it’s just like maintaining a good relationship with your friends or family members. Have your students discuss the tips on the next page to help keep their customers happy.



Talk About It

Satisfy your customers' needs. Grace and her friends did the right thing by going and apologizing to Mr. Williams and giving him his money back for the tartelettes he ordered. Even though Grace and her friends lost money, they were able to keep Mr. Williams as a customer. In the end, he wrote a positive review on their website. Smart business decision!

Honor your appointments and promises. Imagine you've got a playdate scheduled with your best friend. Wouldn't you be bummed if she was an hour late with no apology—or worse, if she didn't show up at all? Your customers feel the same way about you. If you make an appointment or promise to deliver a product or service, make sure you follow through!

Be polite, respectful, and upbeat. Your family might be pretty upset with you if you showed up at your brother's band concert in your pajamas and grumbled the entire time he played. You should dress appropriately for a situation, whether it's personal or business, and use your best manners. Everyone will appreciate you! One rule in business is that the customer is always right (even if he or she is wrong). Keeping your customers happy will help you keep them as customers!

Listen carefully. When your friend is upset, it makes her feel much better if she can vent to you and know you're really hearing her. Listening is just as important in business. Hear what your customers are telling you, and you'll be able to serve them in a way that satisfies what they're really looking for.

Show initiative. If you're out shopping for yourself and see a pair of earrings your sister would love, it's a nice gesture to buy them for her. Likewise, if you're babysitting the neighbor's dog while the neighbor is on vacation, and when you stop over to feed her you find rain coming in an open window, go ahead and close it. It's a small thing that shows you can think on your feet.

Most important, be fair, be honest, and be better. If you're selling pastries like Grace, make sure they're delicious. If you're washing windows, wash them well. Word-of-mouth marketing (meaning one customer telling another about your business) goes a long way. As a business owner, you want customers to talk positively about you and your business so that you keep and get new customers!

Group Discussion

- True or false: The customer is always right. Why or why not?
- Imagine you're in Grace's situation and a customer is frustrated with the quality of your product. Brainstorm some ways to fix the problem!
- You've been promoting your product for weeks, but so far only three people have bought one. What might be going wrong?

Managing Your Money

From Book 3, *Grace Makes It Great*, pages 88–89

“It’s payday again,” Ella announced with a grin, holding up her business notebook. “Last month, we made more money than we spent!”

“Cool!” Maddy said. She started to put away her check, but then paused. “Did you take money out for taxes and supplies?” she asked Ella.

Ella nodded. “Yup. Dad helped me figure out what we needed to save for taxes. After that, I took out a third for supplies, and the other two thirds we can save or spend.”

We’d agreed early on that we would reinvest some of our money back into supplies for the business, save some for our dream trip to Paris, and then spend the rest on whatever we wanted. “The three S’s, right, Ella?” I said. “Supplies, Save, and Spend.”

Theme Introduction

When you’re running your own business, there’s no guarantee you’ll be profitable. But if—like Grace, Maddy, and Ella—you are, you’ll need to know how to responsibly manage that money. How much should go back into the business, and how much should go into your pocket?

Talk About It

When students consider what to do with their money, here’s a major guideline to think about: Profit isn’t the money they take from their customers. It’s the money they take in (income, or revenue) minus the money they spent to make that money (expenses).

Income – Expenses = Profit

Journal It

On the next page, you will find a chart your students can use to determine if they’ve really made any money. You can use pretend revenue and expenses based on your students’ other work for this journal project.



Journal It

INCOME (How much money your business made in sales this month)

Description of 1 unit: (For example, 1 pair of earrings; 1 lawn mowed; 1 duct-tape wallet)	
Selling price for 1 unit	\$
Number of units sold in 1 month	x
TOTAL monthly income	= \$ (Selling price x # Units sold)

EXPENSES (How much money you spent doing business this month)

Cost of materials: (How much does it cost you to make your product? If you have materials left over, you will want to estimate how much you used.)	\$
Advertising/promotional costs:	+ \$
Other monthly expenses: (Includes rent, loan payments, etc.)	+ \$
TOTAL monthly expenses	= \$ (Add all expenses together)

PROFIT (How much money your business made after paying expenses this month)

TOTAL income	\$
TOTAL expenses	- \$
Profit (before taxes)	= \$ (Income – Expenses)
Taxes (assume 15%)	- \$ (Profit before taxes x .15)
TOTAL profit (after taxes)	= \$ (Profit before taxes – Taxes)

The TOTAL profit listed above relates to your business. If you are a sole proprietor (the only person who owns the business), you choose what to do with your profits. If you are in a partnership, you and your partner(s) share the profits and decide together what to do with them. When a business is getting off the ground, most business owners choose to invest a portion of the profits back into the business in order to grow and serve more customers.

SPLITTING THE PROFITS (How much money you and your business partners make)

TOTAL profit (after taxes)	\$
Number of business partners	÷
Your share of the profit	= \$ (Profit ÷ Partners)

In-Class Activity #1: Get the Picture!

Objective

Promotes teamwork

Materials Needed

Blank paper and markers

Time Required

20–30 minutes

Directions

Divide the class into groups of 3 to 5 students. Give each group several pieces of paper and markers. One person from each group will go to the leaders, who will give them the name of a business, a product, or a service. The students quickly return to their groups and draw the business, product, or service they were given. No letters or numbers can be used in the drawings. The first group to call out the correct answer scores a point. First team to earn 10 points WINS!

It helps to facilitate the game if the teacher has a list of businesses, products, and services that can be used. Use age-appropriate and popular items.

In-Class Activity #2: Object Transformation

Objective

Understand how creativity relates to entrepreneurship

Materials Needed

A collection of random common objects

Time Required

15 minutes

Directions

Divide students into groups, and give each group a different object. Within a limited amount of time, the team must come up with a list of ideas for what the object could be or could be used for. For example, a Slinky® could be a necklace, a leash, a slide for very tiny people, etc.

After time has been called, have the students list their ideas. They will have fun demonstrating and describing how their “product” can be transformed.

In-Class Activity #3: Sell It to Me!

Objective

Understand how product development and sales relate to each other

Materials Needed

Random classroom objects

Time Required

15–20 minutes

Directions

Provide student groups with a random object. They can use markers, string, duct tape, sequins, etc. to enhance the product. They must come up with a new use for it (have them brainstorm several in each group), design the product, and then sell it to the class in a 30 to 60 second “infomercial.”

After each group has presented, reveal the intended use and then discuss the different uses the students came up with:

- Were their ideas more or less marketable than the original? Why?
- What thought processes did students go through when modifying this product?





Starting a baking business is fun, but not always easy—as Grace quickly learns. This guide, developed by American Girl and the Jacobson Institute for Youth Entrepreneurship at the University of Iowa, will help students learn how to turn big ideas into real small-business opportunities.

The Jacobson Institute is a nationally recognized program built around teacher education, innovative curricula, and outreach that enriches the lives of K–12 students. The Institute provides educators with professional development and curriculum resources, equipping them to teach the “entrepreneurial mindset”—that is, to encourage creativity, innovation, critical thinking, and problem solving and to prepare students for success in their chosen career path.

The Jacobson Institute bridges connections between STEM (Science, Technology, Engineering, and Mathematics) and economic development. Through a research-driven approach, as well as strategic collaborations, the Jacobson Institute helps create an entrepreneurial culture that enhances economic development. For more information, please visit www.jacobsoninstitute.org.

