

Extension Activity 3

Trends in Social and Economic Development

Background

One may be quick to assume that the rapid evolution of technology and globalization are the driving influences of social and economic changes in our industrialized economy. For example, you learned about the importance of social networking and blogging to businesses in Project 11. However, there are numerous factors beyond technology that influence social and economic development. While the following information does not represent an exhaustive list of influential factors, you will gain a better understanding of what prompts change, including:

- Attitudes, beliefs, and values
- Wants and needs
- Government policies and enforcement
- Desire to address specific issues
- Availability of resources
- Concerns about sustainability
- Education
- Discovery, innovation, and invention
- Knowledge creation

Regardless of how compelling the influential factors may be, change is not likely to occur without commercial potential. Commercial potential assesses whether or not a product or idea will be successful and profitable in unpredictable and changing social and economic environments. In response, businesses attempt to identify and address social and economic needs in order to offer relevant solutions and products to consumers.

Activity

Individually or with a partner/team, consider how society and the economy is changing, and how businesses can change to meet these new demands. Begin by reviewing news media and labor projections to identify current and projected trends. For example, you may wish to consider the popularity of web-based businesses, customer privacy concerns, green businesses, social entrepreneurship, etc. List your research findings in the space that has been provided.

Using the results of your research, create a list of potential ideas that have commercial potential but are not currently being met by existing businesses. Once you have generated your list, select one idea to use for the rest of this activity.

What is the idea you have chosen? _____

1. What need will be met by offering your solution or product? _____

2. What are the benefits/strengths of your solution or product? _____

3. What aspects of your solution or product need to be further developed or improved? _____

4. How can you address the improvements you just identified in order to offer your solution or product to customers? _____

5. Using your knowledge and the Internet, determine the funding you need to launch your solution or product and provide a rationale. _____

Assume that you have decided to create a business so you can offer your solution or product to customers. To get the funding you will need, prepare a “pitch” that you will share with a potential investor about your solution or product. Create a slide presentation and a script for your pitch. Your teacher may have you present your work to your class. Refer to the following tips as you prepare your pitch:

- Describe the need you identified in Question 1
- Explain how the solution or product your business has created addresses the need
- Outline the benefits and/or strengths of your solution or product
- Include your funding needs and rationale
- Offer terms to entice the investor to back you financially
 - For example, based on the startup costs you need and future valuation (anticipated future worth), request the amount of money needed to produce your solution or product and offer the investor a 25% stake in your business

Now that you have completed your pitch, the investor has a counteroffer. You will receive the full funding amount you requested if you are willing to give the investor a 50% stake in your business.

List the advantages and disadvantages of accepting the offer in the table that has been provided.

Advantages	Disadvantages

What have you decided to do and why? _____

