



Profit and Loss

When you run a business you have to **pay out** money for materials and other expenses.

When you sell your product people give you money.

A good business gets more money coming IN from sales than pays OUT for it's expenses. That is called

PROFIT. If you spend more money OUT than you have coming IN then that is a **LOSS!**

Here is an example...

This patrol made bracelets with beads & elastic

Item description	Out	In
Beads	£2.00	
Elastic thread	£1.50	
Jenny sold 10 bracelets @ 30p each		£3.00
Alice sold 5 bracelets @ 30p each		£1.50
Totals	£3.50	£4.50

This patrol spent OUT £3.50 on beads and elastic.

They sold bracelets for £4.50

SO... £4.50 (sales) - £3.50 (costs) = £1.00 PROFIT



As a Patrol you need to start a company, produce a 'product' and hopefully make a profit - You don't want to hear those words "Your Fired!"

**Week 1 - TODAY
STARTING YOUR COMPANY**

What's your company name?

Your Patrol name or something new.

What are you going to do to make money?

Make something (simple) eg. Beady men keyrings or Friendship bracelets, biscuits or sherbet dip packets or...

- whatever you make needs to be easy enough for everyone in the patrol to help with & cheap to make.

- Think about who you are going to sell to (grannies are more likely to eat biscuits than sherbet dips!)

Who are you going to sell to?

• Don't rely on just selling to the other Guides - think bigger. Neighbours, school friends etc. (We can give you an letter / card explaining WHY you are selling things!)

What do you need for next week?

Your Guide leaders can order the things you need if you write us a list.



**Week 2
RESEARCH AND DEVELOPMENT**

Make a test product

Everyone needs to be able to give it a go.

Work out exactly how much your product is going to cost...

Eg. if you are using beads how many beads do you need to make the product and what is the individual cost of each bead. SO if a bag of 100 beads cost £2.00 that means that one bead costs 2p.

Packaging and Promotion

Does your product need any packaging, labels, posters etc and what will these be like (and will they add to the cost.)

Price

How much are you going to sell your product for - If the cost of making the product is 30p and you sell them for 30p you won't make a profit!
You will make 10p profit and if you sell them for 50p you will make 20p profit.
- BUT if you try to sell them for £1 each they might be too expensive and not sell at all.



PROFIT AND LOSS

Week 4

• You might be able to sell a few last items at this Guide meeting if you are lucky!

• You need to work out how many Products you sold, and if you have made any profit!!!

If you have made a profit (then we will all be amazed) What will you do with the money!

DON'T PANIC - You might need help from a Guide to work through the money side of things.

SALES

What ever you make you will need to take away

and **SELL** - perhaps you could have a competition in your Patrol to find out who is the best Saleswoman and makes the most sales!

materials or equipment for this week.

advance) if you need any extra / different

• Make sure that your Guide leaders know (in

friends / neighbours / family etc.

that you are proud of and won't mind selling to

• Everything should be well made, something

• Make as many of the items as you can.

Make what you are going to sell.

**Week 3
MASS PRODUCTION and SALES**