

Exercise 2-4 – Market Research Role Play: INSTRUCTOR GUIDE

Instructor note: This is a high-energy exercise. Timelines will vary based on length of class period. Suggested timeline = 5-10 minutes for introduction of exercise followed by 10 minutes team preparation, 5-10 minutes for each of the two teams' meetings/presentations, 5-10 minutes investor reaction followed by student and instructor reaction. 5 minutes instructor wrap-up (Takeaway, other points).

Exercise team composition: For this exercise the class is divided in three teams. Two teams are entrepreneurial teams, the third team is an investor team.

You are the instructor and will be coaching each team through the process of presenting to/meeting with the investors.

1. Divide the class in 3 teams.
2. Explain that each team should follow the instructions on the guide (Team 1 Guide, Team 2 Guide, and Investor Guide).
 - Team 1 and Team 2 have everything they need in their guides to answer the investor's questions.
 - The investors guide explains the questions they will ask to the team and the rationale. (Keep a copy of each of the Guides for yourself).
3. Give the teams 10 minutes to read their guides and answer the investor questions. Circulate among the teams. For this time period, team members are allowed to talk ONLY with their own team. Teams can look at their OWN Guides only.
4. At the end of the 10-15 minutes, gather the investor team at the front of the room. Call Team 1 up to have their meeting. Let the students experiment with professional conduct like handshaking, leading meetings, etc. *Note: Goal = At least one student sets a good example of professional conduct (e.g., "Welcome, we're glad to have you hear today to discuss your business needs. Have a seat. First....we'd like to discuss...."). Encourage students if this does not happen. A nice opportunity to do this if it did not happen in the beginning of the presentation is to mention at the end of the Team 1 presentation: "What is the next step? Will you be calling them? Do you want to thank them for their time?"*
5. At the end of the Team 1 presentation, call Team 2 up for their meeting.
6. At the end of both presentations, ask the investors to take a couple of minutes to decide which team should receive the investment. Peek in on this meeting and provide guidance where necessary.

Takeaway: In most scenarios, the investors choose Team 2. They have taken time to know their market and, as a result, are more prepared. Occasionally members of Team 1 are incredibly creative and will be chosen because of that. The message is still the same = Investors expect you to know your market. There is a reason for this. Business owners who know their market are more successful. Market research helps owners to

“mitigate” or lessen risk as well uncover market opportunities. (Note: Make sure Team 1 does not feel marginalized. Let them know that they helped us learn why market research is important. Complement them on the things they did well despite not having market information).

Situation presented to each team (see individual guides for customized information which follows):

You are one of the entrepreneurial teams (or investor team). Your business is called _____ a dog grooming business. The other team also has a dog grooming business. Only one team will receive money from the investors. The investment would be used for growing the business. There have been 2 meeting prior to the one today. The investor team really likes your business and the team. Now it is about execution: Which team will make the most effective use of the money going forward? A lot of this is based on which team knows their market best.

Be prepared to answer the following questions from investors. These questions will be asked of you in the upcoming meeting. Work with your team to prepare. (Note: Remember, during the meeting, introduce yourself, be polite, thank them for their time).

1. What is the age of your customer base?
2. What challenges does your business face (do you have a plan to resolve those challenges?).
3. Where do your clients live?
4. What is the “willingness to pay”, or, what would clients pay for the new services?
5. If you could only pick two services to offer, which would they be and why?