

## Young Enterprise

### Frequently Asked Question's

#### **1. Do we have to use our own money to take part?**

**Yes**, in the form of buying Shares in your company. Each member is required to purchase Shares. The Shares are valued at £1 each. No member can purchase more than 25 shares, therefore a maximum holding of £25.

You can sell Shares to people outside of your company, to raise capital. It must be made clear at the outset that anyone purchasing share capital in your company may lose their initial investment. Buying and selling shares is a risk. This must always be explained to every investor before accepting money. However, at Davison we try very hard to encourage you to enjoy making a profit by the end of the programme, but this cannot be guaranteed.

You are allowed to raise capital by other means as well, ie: an initial cake sale (certain criteria apply here i.e. not homemade and other rules), washing cars, running a competition etc.

#### **2. If we are a group of 3 can we still take part?**

**No.** Your Company must consist of 6 members. The maximum is 20, but we discourage a large membership. 6-10 members is recommended. Consider joining another group that is already established.

Davison can only put forward 2 or 3 companies into the YE Programme due to the cost and administration of the opportunity.

#### **3. Are there any rules on what we are allowed to make and sell?**

**Yes.** They are:

- Grown or Manufactured food products or imitation food.
- Tobacco or Alcoholic products.
- Mains electrical goods.
- Jewellery containing nickel.
- Own made cosmetics, skin care or bath products

#### **4. Do we have to *make* and sell things?**

**No.** You can buy a product wholesale, i.e. via the Internet or wholesale supplier and package them as your products. Although please bear in mind that YE are not impressed by just buying on eBay for instance and re-selling. However, if you bought a selection of products that could be combined and re-packaged to sell on would show a degree of entrepreneurial spirit.

Your company could be based on a Service rather than a product, ie: event production, car valeting, ironing service, or a guide book, favourite recipes on a budget.

#### **5. Can we sell our products outside of School?**

**Yes.** In fact we encourage this. Your Business Adviser and Centre Lead will outline the steps you need to take to do this. We actively discourage 'cold calling' by Davison students and would prefer that you are accompanied by an adult when visiting local businesses.

One of the key direct selling opportunities is the Worthing Town Centre Wednesday Market Day. Of course you cannot come out of school to take part but there are always half-term breaks you could explore. Sales must be supervised by parents or Davison staff.

However, one of the best places to start is our own Winter Fayre. You can book a stall at other schools' Winter Fayres too. Just be mindful that you may be asked for a fee, i.e. a payment for occupying a table. You need to make the decision whether this is cost effective or not.

#### **6. Can we sell via the Internet/eBay?**

**Yes/No.** Young Enterprise have created an online selling opportunity 'YE Marketplace' for you to accept orders online. Accounts such as ebay are not permitted as the account holder must be over 18 years of age.

#### **7. Can we accept payment by Credit/Debit or card?**

**No.** Only cash or cheque payments are allowed.

#### **8. Do we have to have a Bank Account?**

**Yes.** HSBC work in conjunction with YE and a Bank Account will be made available to you. You have to complete paperwork to activate the account. You will get your own debit card, cheque book and paying-in book in your Company name.

It is your responsibility to operate the Account, ie; make deposits, write cheques to your suppliers etc and provide a 'float' for all sales events. If you have difficulty in getting to your Bank regularly, please speak to your School Helper who may be able to make a deposit your behalf. Please do not keep cash at home or in school. The YE Co-ordinator can keep cash secure in between sales events in the school safe if need be.

#### **9. Can we take out a Bank Loan to help with running our Company?**

YE do allow this, but this is not available for Davison students.

**10. What happens if we miss a deadline during the programme?**

Any late submission is usually accepted but you will lose points and this will be taken into consideration at the local Area Finals.

**11. Who else takes part in the area?**

There are a number of schools and also 6<sup>th</sup> Form Colleges and Davison come under the West Sussex Area Board. Davison run the Company Programme which is offered to 14-19 years of age.

If you win the local area Finals you then take part in the County Finals. If you win at this level you go forward to the Regional Finals. Further progression then is to the National Finals held in London and winning here will put you forward to the International Finals, which is likely to be overseas.

**12. If we have a contact that is happy to sell our products for us for nothing, is this allowed?**

**Yes, of course.** Usually business contacts will expect a commission for reserving shelf space to your products. Or they may offer to buy a quantity of your products at a reduced price and then sell on with their own mark up. As in question (5), your Business Adviser and School Helper can advise you on this.

**13. Can we advertise our company?**

**Yes.** Just bear in mind the charges incurred are your company's responsibility. It is not Davison that will pay your expenses. Your Company is solely responsible for its marketing and promotion.

**14. Can we put up posters in school?**

**Yes/No.** You are permitted to put leaflets/posters in registers and use the YE display board which is by the main Hall. You can also ask the YE Co-ordinator to email a year group on your Company's behalf.

**15. Can we choose a different product to sell at any time?**

**Yes.** This we call diversification. Often a Company will launch with a product/service and perhaps 3 months later introduce a new line. It is best that this does in some way have a connection to the initial product.

It is very useful to try and keep a record of who you have sold to so that when you do introduce a new product you can contact those customers first. Try offering them a 'special' price as a 'valued customer' as it is far easier to sell to 10 existing customers that know, respect and trust you than to try and create 10 new ones.

Before keeping a record of customer's names and contact details you must obtain their permission first and you must agree not to disclose their personal details to any other organisation, ie: Data Protection Act.

**16. Do we get time off school to take part in YE?**

**Not as a rule.** Mr Keating may give permission for a particular event or publicity, ie: radio interview, photo shoot. All administration and preparation for events must be undertaken in your own time. Early dismissal may be necessary to take part in the Area, County and Regional Finals.

**17. There are roles that members have to sign up for, Managing Director, Treasurer, Secretary etc, do we have to keep to those roles throughout the programme?**

**No.** You can switch roles if you wish and in agreement with the rest of the company members. Drawing up your Company Rules as one of the first tasks is advisable so everyone understands, adheres to and signs the Rules.

Choosing the right leader, the Managing Director, is the key to a successful smooth and agreeable outcome.

**18. Can we withdraw at anytime?**

This is not encouraged. We would prefer that if you are finding the commitment too onerous that you take a less demanding role within the Company that is agreeable to you and your fellow members.

Accepting entrance on the YE Programme opportunity does require you to see it through to the end, approximately 10 months of commitment.

We always encourage full Company participation at the Area Finals as this is evidence of your commitment, not just to YE and your company, but for life ahead.