



School-Based Enterprises

A robust school-based enterprise includes classroom learning around essential business functions and application into the school-based enterprise. The course associated with preparing and housing the school-based enterprise needs to include standards in operations, product service management, pricing, distribution channel management, and promotion in order to meet the work-based learning indicator for Perkins V. More information on classroom modules for educators to prepare students on the standards below can be found on [MBA Research's Website](#) including how to develop your school-based enterprise. *The modules on MBA Research are free to Iowa educators because Iowa is a member state.

When running the school-based enterprise, efforts should be made to replicate the business environment as much as possible for students to build employability skills and understand necessary operational practices for a successful business. Programs should consider assigning responsibilities and providing rotational opportunities to ensure all students receive opportunities to develop employability skills.

To register a district's school-based enterprise for the Perkins V work-based learning indicator, complete the [annual application](#).

Detailed School-Based Enterprise Standards

1. Operations

- a. **Follow instructions for use of equipment, tools, and machinery.** Example: Are instructions for equipment (food heating stations, POS systems, other examples) conveniently displayed? For virtual SBEs/websites, are there instruction manuals for employees to reference when updating the site? Explain why proper adherence to equipment instructions is important. *MBA Research Performance Indicator: Follow instructions for use of equipment, tools, and machinery (OP:006) (PQ)*
- b. **Describe health and safety regulations in business.** Example: Describe the health and safety regulations (federal/state/district food safety guidelines, fire escape routes, or other examples) followed by your SBE. *MBA Research Performance Indicator: Describe health and safety regulations in business (OP:004) (PQ)*
- c. **Explain routine security precautions.** Example: Describe measures routinely taken to ensure overall security in your SBE. (Lock up merchandise, lock doors when not in use, count cash after hours, site encryption for online stores/virtual SBEs, or other examples.) *MBA Research Performance Indicator: Explain routine security precautions (OP:013) (CS)*

2. Product Service Management

- a. **Identify components of a retail image.** Example: How do customers view your SBE? (As a community-oriented, service-oriented, or price-oriented business?) What aspects of your business contribute to how customers view it? *MBA Research Performance Indicator: Identify components of a retail image (PM:243) (SP)*

- b. **Choose vendors.** Example: What questions do you ask when considering new vendors for your store? What questions do you ask when considering new merchandise? *MBA Research Performance Indicator: Choose vendors (PM:263) (SP)*
- c. **Plan merchandise assortment** (e.g., styling, sizes, quantities, colors). Example: What are your product lines? What mix of brands do you carry? How did you decide what products to offer? Describe the width and depth of your various product lines. *MBA Research Performance Indicator: Plan merchandise assortment (e.g., styling, sizes, quantities, colors) (PM:254) (SP)*
- d. **Determine stock turnover.** Example: What is the average turnover for your different product lines? How do you avoid overstocking, and, conversely, inadequate inventory levels? *MBA Research Performance Indicator: Determine stock turnover (PM:224) (SP)*
- e. **Plan reductions** (e.g., anticipated markdowns, employee/other discounts, stock shortages). Example: When and why does your merchandise go on sale? Do you offer discounts? Have you seen a correlation between markdowns and quicker inventory turnover? Explain. *MBA Research Performance Indicator: Plan reductions (e.g., anticipated markdowns, employee/other discounts, stock shortages) (PM:063) (SP)*

3. Pricing

- a. **Determine cost of product** (breakeven, ROI, markup). Example: Discuss break even point, ROI, and markup for a specific product within your store. Provide numbers in addition to written explanations. *MBA Research Performance Indicator: Determine cost of product (breakeven, ROI, markup) (PI:019) (MN)*
- b. **Describe pricing strategies.** Example: Describe the various pricing strategies and explain how you implement them in your school store. Do you have seasonal pricing strategies? How do they impact sales? *MBA Research Performance Indicator: Describe pricing strategies (PI:045) (MN)*
- c. **Evaluate pricing decisions.** Example: Describe the effectiveness of the pricing strategy implemented for a specific product in your store. Do you feel that you maximize your opportunity for profitability or would you have done something differently? *MBA Research Performance Indicator: Evaluate pricing decisions (PI:057) (MN)*

4. Distribution Channel Management

- a. **Explain the relationship between customer service and distribution.** Example: Discuss how timing of orders, stock rotation, and availability of product ultimately affects your SBE's ability to provide customers with goods for purchase. *MBA Research Performance Indicator: Explain the relationship between customer service and distribution (OP:523) (CS)*
- b. **Explain the receiving process.** Example: Describe how you handle the receipt of new merchandise. *MBA Research Performance Indicator: Explain the receiving process (OP:384) (CS)*
- c. **Complete inventory counts.** Example: Describe how your SBE conducts inventory (physical, perpetual, a combination of the two) and how often it does so. *MBA Research Performance Indicator: Complete inventory counts (OP:409) (CS)*

- d. **Determine inventory shrinkage.** Example: Account for loss of inventory due to shrinkage (damage, theft, sample product). How does shrinkage affect your store's bottom line? *MBA Research Performance Indicator: Determine inventory shrinkage (OP:415) (SP)*

5. Promotion

- a. **Plan promotional strategy.** Example: What are your promotional objectives for the year? What is your promotional budget for the year? How do you incorporate the promotional mix? *MBA Research Performance Indicator: Plan promotional strategy (PR:343) (MN)*
- b. **Explain the use of visual merchandising in retailing.** Example: How does the way products are displayed encourage or discourage customers to purchase them? *MBA Research Performance Indicator: Explain the use of visual merchandising in retailing (PR:023) (CS)*
- c. **Use cross-merchandising techniques.** Example: How do you promote products from different categories to build sales? *MBA Research Performance Indicator: Use cross-merchandising techniques (PR:358) (SP)*
- d. **Plan special events.** Example: Describe a special event that your SBE planned and the resulting impact it had on your business. *MBA Research Performance Indicator: Plan special events (PR:360) (SP)*
- e. **Measure success of promotional efforts.** Example: Provide an example of how you evaluated the effectiveness of a promotional strategy used by your SBE. *MBA Research Performance Indicator: Measure success of promotional efforts (PR:339) (MN)*