

The Types of Businesses

Service/Merchandising/ Manufacturing/Extracting

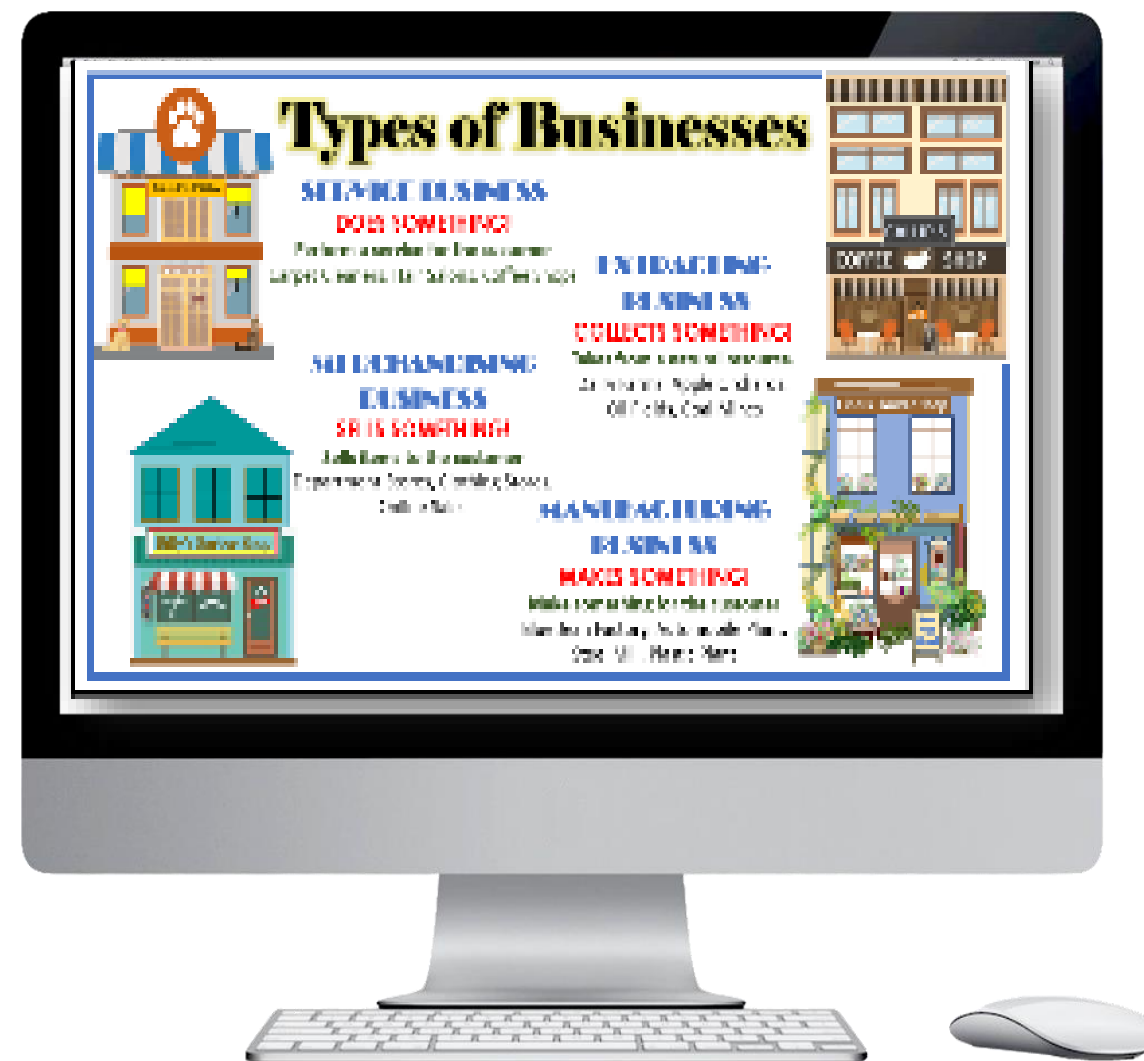
Students learn the different types of businesses.

GREAT activity for any Business Ed class!

Perfect for the First Week of School...or anytime!

Includes a FUN Game!

NO PREP!
SAVE TIME!



BUSINESS EDUCATION WITH *Denise Leigh*

Types of Businesses

SERVICE BUSINESS
DOES SOMETHING
Provides a service for others (e.g., hair salon, car wash, coffee shop)

EXTRACTING BUSINESS
COLLECTS SOMETHING
Takes raw materials from nature (e.g., mining, fishing, logging)

MANUFACTURING BUSINESS
MAKES SOMETHING
Makes something for the customer (e.g., clothing, furniture, food)

RETAIL BUSINESS
SELLS SOMETHING
Sells items to the customer (e.g., grocery store, clothing store, electronics store)

Content covered:

- Discovery and comprehensive exploration of Types of Businesses such as: **Service, Merchandising, Manufacturing, & Extracting**
- Discovery of Small Businesses
- Students learn about Vertical Integration

DISCOVERY

Complete the table below using the graphic above.

1	List the 4 types of businesses	What do they do?	List 2 businesses of this type that you or your family patronize...
1			
2			
3			
4			

WEBQUEST

Think of a...

Search the web for the "most popular small businesses". List 3 business types (from your findings) and complete the table below...

Business Name	Type of business (service, merch, manuf, or extract)	What makes this business successful (in the past or present)? (if any)

SERVICE BUSINESS

Service businesses provide a service and sometimes you leave the shop or store with nothing more than what you came with. For example, if you get your hair cut, you are leaving with nothing new. The financials for service businesses are often easier to record because there is no inventory. Some service businesses offer merchandise to sell as an extra source of revenue. For example, that same salon or barber shop where you get your hair cut could sell hair or beauty products (merchandise).

How can each of these types of service businesses add an extra source of revenue to their business? → → →	List at least 2 ways to add another form of revenue...
Boardwalk Pizza Shop	
Stacey's Carpet Cleaning Service	
Rocco's Auto Detail Shop	

MERCHANDISING BUSINESS

This type of business is also known as a retail business. Retail businesses sell for a profit. They can buy items from wholesalers. Buying wholesale means that they are buying in much larger quantities and at a lower price than the public consumer can buy them and marking them up to sell them at a higher price. The profit is the difference between the price they pay and the price they sell for. Example: The business buys a \$20 shirt (wholesale) and sells it for \$30 (retail). Their profit is \$10.

So: The business buys a \$20 (wholesale price) = \$20 (half of wholesale price) = \$30 (Retail Price)
Your business' profit will be \$10.

Now YOU do the math. If your business has a 50% mark-up policy, how much will the following items be at retail after you add the mark-up?	Retail price of the item	Your business' profit
EX: \$20 wholesale price	\$30	\$10
\$10 wholesale price		
\$40 wholesale price		
\$15 wholesale price		

MANUFACTURING BUSINESS

Manufacturing businesses make things. Listed below are some categories of items that are made on a grand scale. List a major manufacturer of each item... (If you are not sure of an answer, search the Web!)

Manufactured Item	Manufacturing Company
Cars	
Blue Jeans	
Computers	
Motorcycles	
Tires	

EXTRACTING BUSINESS

Extracting businesses are businesses that collect or extract from NATURAL RESOURCES. Natural resources are entities that come from nature and often (although some may argue) cannot be substituted (or made) by humans. Complete the table below to show what you know about extracting businesses and natural resources...

Natural Resource	Where does it come from?	List a business that sells or extracts this resource... (This can be a local or world-wide business...)
Milk		
Oil		
Gasoline		
Oranges		
Eggs		
Turkey Meat		

TAKING YOUR KNOWLEDGE A STEP FURTHER

Gracey owns a vineyard. She grows 50 acres of grapes. She processes the grapes and makes them into wine. She bottles the wine and sells it in her store by her vineyard. She also gives tours of the vineyard and shows customers how she makes the wine. After the tour, many customers purchase items from her gift shop located in the same store where she sells her wine.

This is called **VERTICAL INTEGRATION**. Vertical Integration is the combination of one company having two or more stages of production. Complete the table below...

Type of business	How is Gracey implementing this type of business?
Service	
Merchandising	
Manufacturing	
Extracting	

Can you think of any other business that exercises **VERTICAL INTEGRATION**? If so, list them below...

--

NO PREP!

Great for any of your Business Education classes–

- Accounting
- Entrepreneurship
- Marketing
- Personal Finance
- School Store
- Intro to Business Essentials
- Management

**Teacher's Key &
FUN GAME
BOTH
included**

Hi! My name is Denise Leigh. I have been teaching Business Education for over 25 years! I love collaborating with business educators all over the world. I am a 2022 Pennsylvania Teacher of the Year Finalist and relentless lifetime learner and lover of everything education. Engaging students and connecting them to their world is my jam! Thank you for exploring my resources and sharing my passion for BUSINESS EDUCATION!

Denise Leigh is an expert on student-led instruction. She was featured on CBS Pittsburgh for her City Collaborative™ Project-Based Business Education (PBL) Classroom.

