

HOW TO INVEST TO MAKE MONEY

BIG
CHALLENGE

START BY THINKING HOW YOUR £25 BECOMES £100 (NOT £30)

WHY £25?

This is an investment in your big idea – we're hoping it's a good one and that you're serious and determined to make money. Just like getting money from the bank for a real business, you get £25 to kick start your venture.

WHAT'S THE CATCH?

None! But remember you have to pay back £30 if you have that much cash at the end, that's 20% (£5 on £25) interest on successful investments but none on those that fail – that's business!

CAN WE SPEND OUR TEAM'S £25 ON ANYTHING WE LIKE?

Sure – but remember this is your chance to buy the things that will give your idea a running start. Some teams waste our investment – and so they lose the chance to make even more money for themselves.

WHAT SORT OF THINGS SHOULD WE BUY?

That depends on the sort of business you're planning. For example, if you are planning to make something (such as cakes, jewelry, greeting cards or something manufactured) you'll need the raw materials or ingredients. If you're running an event, you might need to book a venue or print posters. And everyone needs to advertise!

SHOULD WE INVEST IT ALL AT THE START?

It's best to write a list together of what you'll need to buy before you get any money back. Here are some important decisions:

- Are things cheaper if we buy more at one time? Yes – you may get a 'bulk' discount, which is good only if you're sure you really need all that stuff.
- Will the things we're about to buy be what we need once we have tested our ideas with a few customers? Probably not – so keep some money in reserve.

CAN WE KEEP THE PROFIT?

Dead right! This is all about YOU making £££s. Once you've paid back the £30 (£25 plus £5 interest), the rest is yours. But you'd be foolish to share out your first profits – you can invest those profits to make even more money to share between you at the end of the Challenge (or perhaps give some of it to charity).

REMEMBER Do it now, don't delay - money in your pocket may be safe but it can't make a profit for you!



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Three steps to investing to make money...

STEP ONE

Make a list of what you need to buy.

Do this together and discuss every item – why you need it, when you need it and how much you need. Write it down!

STEP TWO

Ask for advice. It's your business and your money but, like all smart businesses, you should take advice along the way. Ask someone you trust (teacher, family, business person) what they think of your list.

STEP THREE

Keep track of your money and your profits. Smart investors keep records of what they do (spending and selling) so they can plan ahead and learn lessons from whatever happens – and so they don't go broke!

BIG CHALLENGE EXAMPLE

We've read the reports of hundreds of teams who completed the Challenge. Here are 15 things they spent money on in order to make even more money. You can use it as your checklist – do you need any of these now or later?

1. Ingredients for cakes and smoothies
2. Materials for greeting cards
3. All sorts to make jewelry and fashion accessories
4. Metal and other raw materials for manufacturing
5. Mugs and t-shirts for printing
6. Frames for photographs
7. Tools to make things
8. Gift-wrapping and presentation boxes
9. Bus fares to go out to sell stuff
10. Booking fees for event venues, swimming pools, sports halls
11. Equipment you need for events
12. Stamps and envelopes
13. Advertising posters and handbills
14. A book on how to sell on the internet
15. A book to record your income and expenditure - and a box to keep your profit safe

SET YOUR TARGETS HIGH

Here are some of our biggest moneymakers, from Key Stage 3 to college students as of 2011:

- £1,280 - Bitz 'n' Boblets, Myers Grove
- £1,863 - D-Sign, Sheffield College
- £1,687 - Livetech, Red Tape
- £1,307 - The Moo Moos, Myers Grove
- £771 - SWCWS, Birley
- £874 - Young Money, Fir Vale