

## ***Integrated Business Core***

The Integrated Business Core (IBC) is intended to give students the opportunity to learn the fundamental theories of business, and then to apply that knowledge through a realistic exposure to the intricacies of the business world. The students create a business idea, write and present a business plan, acquire funding for, operate, and close a small business during the term. The core content instruction is synchronized with the real-time challenges of creating and managing the business. In order to facilitate this unique instructional approach, students are treated as employees and self-organized into companies consisting of approximately 12-15 employees per company. Each company has a President, an Executive Vice President and Vice Presidents of Marketing, Finance and Operations. These company leaders decide how to organize other members of the team.

The IBC has four course modules, finance, marketing, entrepreneurship and business communications, each taught by a different instructor. In addition, the instructors act as advisors to the student teams or companies. The IBC lasts sixteen weeks with two concurrent activities, traditional business classes and operating the business.

## **Business Classes**

The classes meet for two 50-minute periods, five days a week. In addition, there is a weekly lecture by local entrepreneurs and business leaders. Marketing and Finance each meet about 30 times during the course. The professors teach the principles of their respective disciplines as integrated solutions to tasks or problems as they become applicable in the business cycle of the student run companies. Therefore teaching times and the frequency of the courses vary. For example the finance and marketing professors meet more often with the students when the business plans are being written and less often during actual business operations.

The purpose of the entrepreneurship course is to learn the principles of entrepreneurship and to allow the students to integrate these principles together with the learned business skills from the other core subjects into the actual operation and management of a business enterprise. It has the following explicit objectives:

- Learn and recognize the skills necessary for an entrepreneur to build motivate and grow a team of complimentary and expert individuals which can jointly create and manage an enterprise capable of maintaining a sustainable competitive advantage.
- Develop an understanding of the forces of change, such as technology and globalization, to enhance managerial an decision making skills
- Increase your willingness to dream and to act on your dreams and to not be limited by the resources that are currently under your control
- Extend your logical and critical thinking skills and to engage in integrating analysis across disciplines
- Strengthen your interpersonal skills, including team participation, team building, and leadership
- Increase your commitment to integrity and ethical conduct in personal and professional pursuits

The marketing course is designed to help students appreciate the importance of understanding the customer and building an organization that delivers more value to the

customer than the competition. The course provides a broad overview of the basic concepts and skills of marketing, including environmental and competitive analysis, consumer behavior, marketing research, and marketing strategy. Particular emphasis is placed on delivering customer value through management of the marketing mix, including product, price, distribution, and promotion. Upon completion of the course, students should have a thorough understanding of basic marketing principles and know how they can be applied in the “real” world.

The goal of the finance course is to introduce students to the basic concepts of corporate and entrepreneurial finance, and the problems financial decision makers encounter. It focuses on both well established businesses and on the entrepreneurial start-ups. The course also teaches the principles and the issues that affect a company ability to obtain financing in a given market and the factors that allow a finance-oriented manager or owner to control the variables affecting their business.

The course is designed to provide students with basic financial analysis skills. This course relies heavily on technology (e.g., spreadsheets) and on publicly available information resources accessible via the Internet. Students who successfully complete the course will be equipped to deal with the typical problems associated with financial functionalities in a real working business. It has the following objectives:

- Develop the basic financial components included in writing a meaningful business plan;
- Become familiar with the use of spreadsheets and their functions;
- Understand various methods for raising capital for a start-up venture;
- Analyze a firm’s performance by calculating and interpreting financial ratios;
- Use financial forecasting, planning and budgeting methods to anticipate a firm’s future financial needs;
- Utilize various valuation techniques to evaluate and compare potential management decisions and investment opportunities; and
- Calculate the required rate of return on capital as it used in evaluating potential investment opportunities.

This course Business Communications course is designed to give the student an understanding of the role of communication in the business organization. The main objective of the course is to enable the student to communicate effectively in both written and oral communications. The course teaches various methods and techniques which if followed will make him or her a better communicator. Upon completion of the course students will be able to do the following:

- Describe the components of communication and identify the major verbal and nonverbal barriers to communication.
- Communicate effectively in small groups; plan, conduct, and participate in business meetings while maintaining effective working relationships.
- Review elements of tone of professional writing and incorporate a process approach to writing.
- Write business letters and memos including routine, persuasive, and bad-news messages.
- Write, edit, and format business reports, including a business/marketing plan
- Present a business/marketing plan

- Prepare a resume, cover letter, and career portfolio; and conduct oneself appropriately during an employment interview.
- Understand and demonstrate appropriate business etiquette and ethical behavior

### **Operating the Business**

The 15-week period is broken into two approximately equal periods, getting organized and operations. During the first three weeks, companies are formed and company officers selected. During the next four weeks, business plans are prepared. The plans emphasize the feasibility of the business model, argue that the investors will get a desirable return and provides a road map for the start-up firm. Each team has a faculty advisor to guide the process.

During week eight, local businessmen are recruited to act as investors. They are given the business plans and the student teams present to them. The teams indicate the amount of money that they need. The funds to support the businesses come from a revolving fund. The investors typically allocate \$2,000 to \$4,000 based on the viability of the business plan and the team's cash needs. In the past several years, the teams return an average profit of \$2,000 to \$3,000 with the best profit being \$15,000 and the worst being a loss of \$1,000. The profits are artificial because labor costs are considered \$0. Excess profits go to scholarships. The students are given training on handling of money and ethical considerations. Due to the strong moral imperatives of Brigham Young University – Hawaii (BYUH), the students feel and their actions reflect a fiduciary responsibility toward the funds.

For the remainder of the IBC, the teams operate the businesses under the watchful eye of the instructors. Since BYUH and the affiliated Polynesian Cultural Center (PCC) are the main employers in the area, so the students' choices of potential business are limited. Typical customer groups are other students, faculty and their families, and tourists attending the PCC. The most successful business was an interactive CD sold to visitors at PCC in which the visitors' digital photos were incorporated into the CD. The CD was available in three different languages. Other successful business involved staging a theater event where a professional troop was hired at a significant discount and creating a historical CD for the 50<sup>th</sup> anniversary of the school. Typical businesses include selling food, T-shirts and cleaning services.

At the end of the IBC, the students present their results, and there is a celebration in the form of a luncheon. After the close of the businesses, finals week is held.