



# 4-H Business Startup Guide

## Working With Food

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### Entrepreneur profile



Samantha Warner bakes, decorates and sells cakes from her home in Cass County, Mo. It has taken Samantha years of practice, including eight years of selling cakes, to refine her art. She now sells cakes in several counties, producing ornately decorated treats for birthdays, graduations, showers and other celebrations.

[<read more>](#)

### About this guide...

Samantha is an example of a 4-H member who loves working with food and has put her 4-H project experiences to work in earning an income. She could be called a “Clover-preneur” — a budding entrepreneur through 4-H! (Read more about Samantha on page 8.)

Are you also a young person who loves working with food and is curious about what it would take to earn some money, and possibly even make a living, doing what you love? Do you have an idea for starting a business involving food, but are unsure if you have what it takes to be a budding entrepreneur? Are you wondering what resources are available to you to help put your idea into action?

If you answered “yes” to any of these questions, then this guide is for you! You may be an aspiring entrepreneur, or a person with a dream to work for yourself and own your own business! At this point, your dream may be only that — a dream. Nevertheless, this guide will help you further explore your dream and determine how you can move it toward reality!

**This resource guide is designed for use with the 4-H Entrepreneurship project literature, called *Entrepreneurship Investigator (ESI)* and *Be the E*, but you can also use it alone.**

*Be the E* is the introductory or supplemental curriculum and is best for youths in grades 5-8.

*ESI* is the core curriculum designed to partner with other 4-H project areas. This series is best for youths in grades 7-12.

You already know what you love to do. Now you may be interested in making a plan to turn what you love into a job or career.

This is where this guide will help. Do you like to surf the Web? Great! This guide will point you to useful websites and reliable information as you consider your business options. Then, the doing part is up to you. **Good luck!**

**Steve Henness, Extension Associate  
Adam Loftin and M. Colleen McDevitt, 4-H Entrepreneurship Project (AmeriCorps\*VISTA)**



To learn how you can get started with the 4-H *Be the E* Entrepreneurship project, talk to your county 4-H staff person or visit the Missouri 4-H Center for Youth Development:  
<http://mo4h.missouri.edu/projects>.

### Suggested project areas for starting a food business:

- Breads
- Cakes
- Food preservation
- Meats
- Nutrition

### Entrepreneurship

Check out the 4-H *Be the E* Entrepreneurship project online:

<http://4h.missouri.edu/go/get/projects/projects2.htm#entrepreneurship>

See more Cloverpreneurs:

<http://4h.missouri.edu/cloverpreneurs/>



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## Getting started

So you love making delicious dishes or tasty treats? That's super! One of the first things entrepreneurs will tell you is they are in business because they love what they do! They are willing to work hard and often long hours to manage and operate their business because they enjoy what their business is about. For example, Samantha practiced for a long time making decorative flowers and other designs out of icing before she was ready to do the real thing.

So how do you get started in a business involving the cuisines that you love? Here are several websites where you can go to find help in starting a business around food.

The U.S. Small Business Administration (SBA) is the federal agency that provides financing and assistance to new business owners, and it maintains a website geared especially for teens.

<http://sba.gov/teens>

You may also find the SBA's small business planner tool useful.

<http://sba.gov/smallbusinessplanner>

The U.S. government also provides a complete list of links for small business owners and aspiring entrepreneurs.

<http://business.gov>

The Missouri Business Development Program is a program of MU Extension, like 4-H, and offers excellent information for planning and starting a business.

<http://missouribusiness.net/startup>

The Missouri Department of Economic Development is the state agency that provides assistance to people starting businesses right here in the Show-Me State. At this site, you can research business statistics, discover business associations and explore what start-up services are available.

<http://missouridevelopment.org>

The state of Missouri provides an easy-to-use website to help understand what is involved in small business development and entrepreneurship in the Show-Me State.

<http://business.mo.gov>



### Check out these activities!

*ESI: Unit 1, pages 3.1-3.3*

*Be the E: Level 1, pages 12-13; 24-25*

*ESI: Unit 3, pages 1.1-2.4*

## Food

Consult the United States Food and Drug Administration (FDA) for regulations and advice for starting a business related to food. This site also includes links to specific food topics.

<http://www.cfsan.fda.gov/~comm/foodbiz.html>

The Missouri Business Development Program provides links for many types of businesses, including food.

<http://missouribusiness.net/library/industry.asp#food>

MU Extension offers a wealth of articles on food, nutrition and fitness.

<http://extension.missouri.edu/explore/hesguide/foodnut>

Clemson University Extension provides resources for those thinking of starting a food-based business.

[http://www.clemson.edu/extension/hgic/food/food\\_safety](http://www.clemson.edu/extension/hgic/food/food_safety)

[http://www.clemson.edu/extension/hgic/food/food\\_safety/business](http://www.clemson.edu/extension/hgic/food/food_safety/business)

Penn State University provides a website with resources for food producers, including entrepreneur advice and safety recommendations.

<http://foodsafety.cas.psu.edu/processor/resources.htm>

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This article provides advice for people wishing to start an Internet-based food business.

<http://ecommerce-guide.com/solutions/building/article.php/3547246>

The University of Missouri also offers numerous agricultural instruction manuals for instructors and students through the Instructional Materials Laboratory (IML).

<http://iml.missouri.edu>

Learning as much as you can about food will allow you to provide a quality product or service to your customers. For example, Samantha learned a lot from enrolling in 4-H cake decorating projects. She is always looking for new ideas to improve her cakes. Gaining and applying knowledge about your product or service before you start your business will only increase your chances for success!

If your business dream involves any of the 4-H food project areas, you will find a wealth of valuable information at the following websites:

<http://mo4h.missouri.edu/projects/projects2.htm#Foods>

<http://4-hcurriculum.org/projectsonline.aspx>

## Leadership and networking

Entrepreneurs are recognized as leaders in their communities. By starting and operating their own businesses (and often creating jobs for themselves and others), entrepreneurs have chosen a path that is full of risks and rewards. For that reason, entrepreneurs have plenty of opportunity to develop and apply leadership skills. Samantha takes responsibility to balance her involvement in school, 4-H, FFA and other commitments that give her leadership experience.

You too may have leadership abilities that will come in handy as you venture out on your dream. Or you may not yet consider yourself to be a leader. You may wonder if you really have what it takes to be an entrepreneur.

Being involved in 4-H can help you acquire and build leadership skills to be successful in business, but more importantly, to be successful in life!



### Check out these activities!

*ESI*: Unit 1, pages 4.1-4.4

*Be the E*: Level 1, pages 10-11; 18-21; 28-29

## Leadership

The 4-H Leadership project offers learning experiences and resources that will make you a better leader as you work with others to improve your club, your community, your country and your world!

<http://mo4h.missouri.edu/projects>

You can also discover your entrepreneurial abilities and how to enhance them by spending some time “off-roading” with activities at the “All-Terrain Brain” website.

<http://allterrainbrain.org>

Mentors, Ventures and Plans (MVP) offers an online assessment to test yourself for entrepreneurial characteristics.

<http://mvp.cfee.org/en>

## Networking

How many friends do you have in your network? In a generation of cell phones, instant messaging and social network websites, social networking is virtually limitless. Technology offers entrepreneurs some amazing tools for conducting business and maintaining business connections.

Successful entrepreneurs will tell you they owe a great deal of their business success to networking. They rely on networking with others to gain and share information and to solve problems. Your business network is made up of more than those in your cell phone directory. It includes everyone that you know — your friends, family members, classmates, coaches, 4-H volunteers, etc. Samantha’s network includes business associates



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and the local teachers' association, which purchases cakes for school events and refers her to others.

As you start down the road to planning your business, you will make new connections and see your network grow. The key is being aware of who is in your network, how they can assist you and what you can offer them in return. For instance, you may hire friends to handle certain business tasks. You might interact with other young entrepreneurs to trade ideas or form alliances. You may even establish partnership agreements with businesses that become your suppliers or customers. As you can see, being an entrepreneur is as much about "who you know" as it is about "what you know."

Check out the NS Teens website to learn about social networking that is both safe and effective.

<http://nsteens.org>

Visit the Youth Venture website to meet young social entrepreneurs from around the globe who are following their vision to change the world.

<http://genv.net>

Youth Venture also offers some networking basics and specific tools for mapping your business network.

[http://genv.net/en-us/do\\_it/networking](http://genv.net/en-us/do_it/networking)

Entrepreneur U. highlights entrepreneurship networking opportunities that may be available to you through high school and college.

<http://entrepreneuru.org/student>

Be a fan of Missouri 4-H on Facebook.

<http://facebook.com/missouri4h>

Follow Missouri 4-H on Twitter.

<http://twitter.com/missouri4h>

## Mentoring

Entrepreneurs have more success when they seek advice and help from others who have wisdom, skills and experience. Many entrepreneurs are quick to tell you they would not be where they are if it were not for their mentors or those who voluntarily coached them along the way.

As you consider starting a business, think about who you know who has encouraged you. Who do you know who could "coach" you through the process? A business mentor may be someone who is already a big part of your life — a parent, older sibling, relative, 4-H volunteer, or another caring adult who takes a special interest in you and your business. Samantha has been mentored by other family members who decorate cakes, as well as by her local 4-H project leaders.

Mentors, Ventures and Plans (MVP) is a website that can help you identify a mentor who is right for you.

<http://mvp.cfee.org/en>

SCORE is a voluntary organization that specializes in mentoring entrepreneurs on all aspects of business start-up and operation. See the "How-to" section for free online counseling and advice.

[http://score.org/learning\\_center.html](http://score.org/learning_center.html)

The Idea Café website includes a "Cyberschmooze" section where you can get some free mentoring and advice online.

<http://businessownersideacafe.com/cyberschmooz>



**Check out these activities!**

*ESI: Unit 1, pages 5.1-5.4*

## Marketing

Marketing involves how you present yourself and your business to potential customers and to the community in general. You may have a wonderful product or service, but unless you plan how to market, it will be

difficult for you to earn an income.



**Check out these activities!**

- Be the E:* Level 2, pages 46-47; 50-57
- Be the E:* Level 3, pages 76-77; 82-83
- ESI:* Unit 2, pages 5.1-5.5
- ESI:* Unit 3, pages 10.1-11.6

MU Extension offers this article on marketing basics for home-based businesses.

<http://extension.missouri.edu/xplor/miscpubs/mp0596.htm>

The U.S. Small Business Administration provides free tools for marketing your business.

<http://sba.gov/tools/resourcelibrary/publications>

The Idea Café provides marketing ideas and resources for entrepreneurs.

<http://businessownersideacafe.com/business/marketing.php>

The Youth Venture website assists youth with marketing the ventures they have started.

[http://genv.net/en-us/do\\_it/marketingcommunication](http://genv.net/en-us/do_it/marketingcommunication)

Frugal Fun offers some affordable ideas for getting your business name out there.

<http://frugalfun.com/22waysmarketing.html>

## Financing and money management

Financing and money management is about how you initially get the funding you need to start your business and then how you manage your money once it is up and running. This topic is perhaps the most critical to

how well your business will perform.

First, to make wise financing choices, entrepreneurs need to understand all the options available to them. Financing your business may require getting a bank loan, depending on the start-up costs associated with your business. Another option is investing your own money or waiting and saving up enough money to start it on your own. Borrowing money from a parent or family member is another common way young people get started.

Money management involves the flow of money into and out of your business. How you manage your money depends a lot on your knowledge, values and assumptions. Successful entrepreneurs do not spend all of their profits on themselves. They reinvest some of the money they make back into their business to keep it healthy and growing. Samantha originally received cake-decorating supplies from her aunt, but now she makes enough from her cakes that she can buy her own supplies and still earn some profit.



**Check out these activities!**

- Be the E:* Level 2, pages 64-65
- Be the E:* Level 3, pages 84-89
- ESI:* Unit 3, pages 6.1-6.4; 19.1-22.4

The Mentors, Ventures and Plans (MVP) website contains a "Start-Up Money" section on basic financing options.

<http://mvp.cfee.org/en>

The Idea Café website contains basic information on business financing options and what to consider with each.

<http://businessownersideacafe.com>

Teen Consumer Scrapbook is a website developed by teens for teens about personal financial literacy and consumer issues.

<http://atg.wa.gov/teenconsumer>

Want to put your money smarts to the test? Money





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Smart is an online learning tool available from the Federal Deposit Insurance Corporation (FDIC).

<http://fdic.gov/consumers/consumer/money-smart/mscbi/mscbi.html>

Entrepreneur U. lists some youth financial awards and programs you may wish to consider in getting started.

<http://entrepreneuru.org/student/financialhelp.php>

The U.S. Department of Agriculture's Farm Services Agency has a youth loan program. Search for "youth loans."

<http://www.fsa.usda.gov/FSA>

The U.S. Small Business Administration (SBA) website for teens provides an excellent example of what a finished business plan looks like.

<http://sba.gov/teens/myplan.html>

The SBA small business planner website features a series of tools to assist the entrepreneur in preparing and writing a business plan.

<http://sba.gov/smallbusinessplanner/plan/writeabusinessplan>

The Idea Café website includes sample business plans for a variety of business types.

[http://businessownersideacafe.com/starting\\_business/sample\\_plans.php](http://businessownersideacafe.com/starting_business/sample_plans.php)

## Writing a business plan

Entrepreneurs who are serious about seeing their dream turn into reality know that a solid business plan is essential. A business plan serves as the blueprint for your business, much like a blueprint tells a contractor how to build a house. Once your business is up and running, the business plan serves as the DNA to guide your decision-making and operation of the business. If your business startup will require applying for a bank loan or receiving financial support from others, a business plan is a must.

The National Sustainable Agriculture Information Service offers business planning resources specific to agricultural businesses.

[http://attra.ncat.org/attra-pub/agriculture\\_planning.html](http://attra.ncat.org/attra-pub/agriculture_planning.html)



**TIP!** The 4-H Entrepreneurship project activities are designed to help you prepare a plan for your business. Once you have completed the three levels of the *Be the E*, or Units 1 and 2 of *ESI*, you will nearly have a draft business plan in place!



### Check out these activities!

*Be the E*: Level 2, pages 40-41

*Be the E*: Level 3, pages 104-113

*ESI*: Unit 2, pages 7.1-7.4

The Mentors, Ventures and Plans (MVP) website has a "Venture Planning" section that contains a simple description of what goes into a business plan.

<http://mvp.cfee.org/en>

## Laws and licensing

Anyone who is considering starting a business should be aware of certain rules that are in place to protect both the business owner and the customer. Entrepreneurs should investigate the responsibilities they have by law. Keeping your business activities legal and in good standing with the government ensures you stay on the road to success! Below are a few of the stops you should make to explore the legal responsibilities that go along with starting your business.

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**Check out these activities!**

*Be the E*: Level 2, pages 60-61; 66-67  
*Be the E*: Level 3, pages 90-91  
*ESI*: Unit 2, pages 6.1-6.5



Most youths starting a business and earning an income will be considered “self-employed” for federal and state tax purposes. However, you should consult with an accountant or tax preparer about your obligations.

The U.S. Copyright Office and the U.S. Patent and Trademark Office websites maintain information for new businesses.

<http://copyright.gov>

<http://uspto.gov>

The Federal Trade Commission (FTC) website on consumer protection is a good resource for new entrepreneurs.

<http://ftc.gov/bc>

The Internal Revenue Service website includes resources for students and new businesses and information about paying taxes to Uncle Sam.

<http://www.irs.gov/individuals/students/article/0,,id=177689,00.html>

<http://www.irs.gov/businesses/index.html>

The Missouri Secretary of State’s Office website contains information on obtaining a business license in Missouri.

<http://sos.mo.gov/business/corporations/start-Business.asp>

The Missouri Department of Revenue website is the source for information about filing and paying state taxes in Missouri.

<http://dor.mo.gov>

This guide was originally written by Adam Loftin, Entrepreneurship curriculum specialist for 4-H, (AmeriCorps\*VISTA), and Steve Henness, 4-H Extension Associate, University of Missouri Extension.



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## A piece of cake

Whoever popularized the phrase “piece of cake” to be synonymous with “easy” was probably not thinking about 4-H cake decorators. Just ask Samantha Warner, who bakes, decorates and sells cakes from her home in Cass County, Mo. It has taken Samantha years of practice, including eight years of selling cakes, to refine her art. Over the last three years, her business has become more serious. She has made and sold as many as 20 cakes in the span of a few weeks.

Samantha got her start by enrolling in a 4-H cake decorating project in second grade. She now sells cakes in several counties and produces her ornately decorated treats for birthdays, graduations, showers and other celebrations. Samantha even has an agreement with the local teachers’ association to make cakes for their showers. She has been recognized with local merit awards through her 4-H work and placed second in the home economics category at the Missouri State Fair.

Depending on the occasion, people may ask Samantha for a specific cake design or rely on her to use her own creativity. She finds interesting designs on plates, napkins and pictures, or sometimes she chooses familiar themes such as fictional characters, tractors, baseballs or animals. Decorated cakes take a minimum of three hours to finish, although they can take much longer depending on the difficulty. Although she has made cakes in countless shapes and designs, Samantha’s favorite so far is a 4-foot long sheet cake she made for a high school prom.

Samantha’s success, in large part, stems from role models in her life who inspired her to hone her baking skills. Samantha’s aunt encouraged her to learn about cake decorating and gave her supplies to get started. Her mother has given her ideas, moral support and occasionally tends to an oven-bound cake when Samantha’s busy schedule requires a 4-H, FFA or school obligation. Lisa Jacks, Samantha’s 4-H cakes project leader, has lent her supplies and taught her baking tricks she learned during her own 4-H experience.

Samantha also appreciates the character development opportunities and other benefits 4-H provides. “You



**Samantha started decorating cakes in second grade when she enrolled in a 4-H cake decorating project.**

can tell the difference in school who has had 4-H and who hasn’t,” she says. Samantha says 4-H has helped develop her business and life skills through practical project work, public speaking opportunities, leadership and social growth, and helping her make quality friends. She knows that character is important in business transactions. “The best thing you can do is to please your customers,” she says.

Entrepreneurship suits Samantha’s lifestyle. “This way I can work around my own schedule, set my own hours, be my own boss.” Her business has become a hobby that earns her enough money that she doesn’t have to have another job. For Samantha, 4-H is a piece of cake, and much more!