



CAREER CLUSTER
Entrepreneurship

INSTRUCTIONAL AREA
Economics

ENTREPRENEURSHIP TEAM DECISION MAKING EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the 21st Century Skills, Performance Indicators and Case Study Situation. You will have up to 30 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 15 minutes to make your presentation to the judge (you may have more than one judge). All members of the team must participate in the presentation, as well as answer any questions.
- You will be evaluated on how well you demonstrate the 21st Century Skills and meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

21st CENTURY SKILLS

- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions and solve problems.
- Communication and Collaboration – Communicate clearly and show evidence of collaboration.
- Creativity and Innovation – Show evidence of creativity.

PERFORMANCE INDICATORS

- Identify factors affecting a business's profit.
- Determine factors affecting business risk.
- Describe the concept of economies of scale.
- Explain the concept of competition.
- Explain the nature of channels of distribution.
- Explain the nature of channel strategies.
- Explain factors that influence customer/client/business buying behavior.

CASE STUDY SITUATION

You are to assume the roles of the owner and the president of BABY GEMS, an online company that sells luxury apparel for babies. The director of operations (judge) has provided you with opportunities to manage excess inventory and needs your team to analyze the benefits and risks of each and make a final recommendation.

BABY GEMS started five years ago to fill a gap your team found in the luxury apparel market. While there are plenty of luxury brands for men and women that might also sell a few baby items, there is not a singular luxury brand for baby apparel. BABY GEMS sells premium apparel from newborn to 24-month sizes that all feature the brand logo – an outline of a diamond on the back of each piece of clothing.

BABY GEMS has become the ultimate status brand among affluent markets. Many loyal customers will purchase entire lines of apparel which has been profitable for the company and resulted in BABY GEMS producing more inventory to keep up with sales while also having enough inventory on hand.

As seasons change and new BABY GEMS merchandise is released, the director of operations (judge) has brought a new concern to your team's attention. There is a massive surplus of inventory from customer returns and excess inventory that was not sold from the larger production runs.

The director of operations (judge) has identified two opportunities for managing the excess inventory. The national off-price retailer KT JAXX has offered to purchase all BABY GEMS excess inventory and distribute the inventory among its physical store locations. KT JAXX is excited to form a relationship with BABY GEMS.

Another option is for BABY GEMS to sell the returned merchandise and excess inventory on their own website as clearance or on a secondary website run by BABY GEMS.

The director of operations (judge) needs your team to make a decision on how to proceed with the excess merchandise but first wants you to analyze each option and consider the following:

- Product cannibalization
- Factors that will or could affect profit
- Risks
- Customer base
- Brand image

You will present your analysis and recommendation to the director of operations (judge) in a meeting to take place in the meeting room. The director of operations (judge) will begin the meeting by greeting you and asking to hear your ideas. After you have presented your ideas and have answered the director of operations' (judge's) questions, the director of operations (judge) will conclude the meeting by thanking you for your work.

JUDGE INSTRUCTIONS

DIRECTIONS, PROCEDURES AND JUDGE ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Participant Instructions, 21st Century Skills and Performance Indicators
2. Case Study Situation
3. Judge Characterization

Allow the participants to present their ideas without interruption, unless you are asked to respond. Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant team.

4. Judge Evaluation Instructions and Judge Evaluation Form
Please use a critical and consistent eye in rating each participant team.

JUDGE CHARACTERIZATION

You are to assume the role of the director of operations for BABY GEMS, an online company that sells luxury apparel for babies. You want the owner and the president (participant team) to analyze the opportunities to manage excess inventory and make a final recommendation.

BABY GEMS started five years ago to fill a gap your team found in the luxury apparel market. While there are plenty of luxury brands for men and women that might also sell a few baby items, there is not a singular luxury brand for baby apparel. BABY GEMS sells premium apparel from newborn to 24-month sizes that all feature the brand logo – an outline of a diamond on the back of each piece of clothing.

BABY GEMS has become the ultimate status brand among affluent markets. Many loyal customers will purchase entire lines of apparel which has been profitable for the company and resulted in BABY GEMS producing more inventory to keep up with sales while also having enough inventory on hand.

As seasons change and new BABY GEMS merchandise is released, you have brought a new concern to the owner's and the president's (participant team's) attention. There is a massive surplus of inventory from customer returns and excess inventory that was not sold from the larger production runs.

You have identified two opportunities for managing the excess inventory. The national off-price retailer KT JAXX has offered to purchase all BABY GEMS excess inventory and distribute the inventory among its physical store locations. KT JAXX is excited to form a relationship with BABY GEMS.

Another option is for BABY GEMS to sell the returned merchandise and excess inventory on their own website as clearance or on a secondary website run by BABY GEMS.

You need the owner and the president (participant team) to make a decision on how to proceed with the excess merchandise but first want the owner and the president (participant team) to analyze each option and consider the following:

- Product cannibalization
- Factors that will or could affect profit

- Risks
- Customer base
- Brand image

The participant team will present information to you in a role-play to take place in the meeting room. You will begin the role-play by greeting the participant team and asking to hear about their ideas.

During the course of the role-play, you are to ask the following questions of each participant team:

1. Do we have any other choices in dealing with excess inventory?
2. Why can't we just try one option and see if it's successful, why do we need to analyze it?

Once the owner and the president (participant team) have presented information and have answered your questions, you will conclude the role-play by thanking the owner and the president (participant team) for the work.

You are not to make any comments after the event is over except to thank the participants.

EVALUATION INSTRUCTIONS

The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event. The maximum score for the evaluation is 100 points. The presentation will be weighted twice (2 times) the value of the exam scores.

Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event director and the other judges to ensure complete and common understanding for judging consistency.

| Level of Evaluation | Interpretation Level |
|----------------------------|--|
| Exceeds Expectations | Participants demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator. |
| Meets Expectations | Participants demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 th percentile of business personnel performing this performance indicator. |
| Below Expectations | Participants demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 th percentile of business personnel performing this performance indicator. |
| Little/No Value | Participants demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps the participants should seek other employment; would rank in the 0-49 th percentile of business personnel performing this performance indicator. |



ENTREPRENEURSHIP TEAM DECISION MAKING 2025

JUDGE'S EVALUATION FORM
ICDC PRELIMINARY

INSTRUCTIONAL AREA:
Economics

Participant: _____

Participant: _____

ID Number: _____

| Did the participant team: | | Little/No Value | Below Expectations | Meets Expectations | Exceeds Expectations | Judged Score |
|---------------------------------------|--|-----------------|--------------------|--------------------|----------------------|--------------|
| PERFORMANCE INDICATORS | | | | | | |
| 1. | Identify factors affecting a business's profit? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 2. | Determine factors affecting business risk? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 3. | Describe the concept of economies of scale? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 4. | Explain the concept of competition? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 5. | Explain the nature of channels of distribution? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 6. | Explain the nature of channel strategies? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 7. | Explain factors that influence customer/client/business buying behavior? | 0-1-2-3 | 4-5-6 | 7-8 | 9-10 | |
| 21st CENTURY SKILLS | | | | | | |
| 8. | Reason effectively and use systems thinking? | 0-1 | 2-3 | 4 | 5-6 | |
| 9. | Make judgments and decisions, and solve problems? | 0-1 | 2-3 | 4 | 5-6 | |
| 10. | Communicate clearly and show evidence of collaboration? | 0-1 | 2-3 | 4 | 5-6 | |
| 11. | Show evidence of creativity? | 0-1 | 2-3 | 4 | 5-6 | |
| 12. | Overall impression and responses to the judge's questions | 0-1 | 2-3 | 4 | 5-6 | |
| TOTAL SCORE | | | | | | |