

# AVOCADO HIGH SCHOOL

Horace H. Hass, Principal



## MEMORANDUM

Date: January 15, 2010  
To: School-Based Enterprise Students  
Avocado High School  
From: Ronnie Johnson, Faculty Advisor  
Subject: Congratulations on becoming "National SBE of the Year"

The award we recently received from the Secretary of the U.S. Department of Education is a source of pride for Avocado High School. It brings our School-Based Enterprise (SBE) much-deserved recognition for the hard work and entrepreneurial spirit that created the low-calorie avocado we now grow. People love avocados but want to watch their weight—two facts that have led to the profits we're seeing as demand increases.

The Secretary hoped we would remain strong, despite the possibility of competition from other firms in the future. The Secretary suggested, and I agree, that we find ways to expand production and profits, so we can continue to fund college scholarships for students in the SBE. To do this, we must build additional facilities, but we need funding from venture capitalists. Venture capitalists, as you know, provide money to entrepreneurs who show the worth of their "venture." Unfortunately, most venture capitalists will not meet with high school students. However, I have learned that the venture capitalist who is most likely to give us money leaves work promptly at 8:00 PM every night. If we take the elevator with her from her office to the parking garage, we will have about one minute to show her how much we know about the avocado market.

To prepare for this, please write a one-page summary that explains the economics behind our prices, costs, and profits over the past two years. I have attached two sets of tables, one each for 2008 and 2009, which track sales, revenue, profit, and cost numbers for each quarter. Venture capitalists will want to know why demand, prices, and profit changed between 2008, when we were still selling high-calorie avocados, and 2009, when we began selling the low-calorie avocado. As you know, most venture capitalists have strong backgrounds in economics and will expect your explanations to be grounded in demand and supply. They will also expect you to use this information to predict revenue and profit for next year.

Use your summary to develop a one-minute "talk" for the elevator ride. Be creative about how you could persuade her of the worth of our enterprise!