

Worksheet: new business

A) Starting up

1) What conditions are important for people starting new businesses? Choose the three most important from the list. Can you think of any others?

low taxes - skilled staff - low interest rates - cheap rents - stable economy - good transport links - training courses - high unemployment - a strong currency - government grants

2) Many economies contain a mix of public -and private - sector businesses. Think of companies you know in the areas below. Which are public-sector companies and which are private-sector companies?

post office - TV/newspapers - energy - cars - rail - water - telecoms - airlines

3) Many companies in the UK have been privatized. What are the trends in France?

B) Vocabulary

1) Match the economic terms to their definitions

| | |
|------------------------------|---|
| interest rate | low taxes to encourage business activity |
| exchange rate | total value of goods and services produced in a country |
| inflation rate | money from overseas |
| labour force | general increase in prices |
| tax incentives | price at which one currency can buy another |
| government bureaucracy | official rules/ regulations/paperwork |
| GDP (gross domestic product) | difference in value between a country's imports and exports |
| unemployment rate | percentage of people without jobs |
| foreign investment | cost of borrowing money |
| balance of trade | people working |

2) Listen to the recording and fill in the blanks

The e_____ is stable following the problems of the past two years. By following a tight economic m_____ p_____ the government has reduced the i_____ r_____ to 2%. After going up dramatically, the i_____ r_____ is now down to 8%. The last six months has seen a s_____ improvement in the e_____ r_____ against the dollar. The G_____ has grown by 0.15%. Exports are increasing and the b_____ of t_____ is starting to look much more h_____. The u_____ r_____ continues to be a problem as its still 16%. In order to s_____ the economy and attract f_____ i_____, the government is offering new t_____ i_____ as well as making a renewed effort to reduce g_____ b_____. Finally, a large skilled l_____ f_____ means there could be attractive i_____ o_____ over the next five years.

3) Write sentences about the economic profile of your country.

C) Dealing with numbers

Saying large numbers

For example 912,757, 250=

| | | |
|----------------------------------|---|-----------------------|
| 912, | 757, | 250 |
| Nine hundred and twelve million, | seven hundred and fifty seven thousand, | two hundred and fifty |

Decimals

1.25= one point twenty five
one point two five
0.7= nought point seven
zero point seven
point seven

Fractions

$\frac{5}{7}$ = five-sevenths
 $\frac{2}{5}$ = two-fifths
 $\frac{1}{2}$ = a half
 $\frac{1}{4}$ = a quarter

Percentages

65%= sixty-five percent

Currencies

£3,000,000 = three million pounds
€16,000 = sixteen thousand euros

1) Write these numbers in full letters. Listen and check after each group

1 a) 47 b) 362 c) 1,841 d) 15,000 e) 36,503 f) 684,321 g) 4,537,295 _____

2 a) 3.5 b) 2.89 c) 9.875 _____

3 a) $\frac{1}{4}$ b) $\frac{1}{8}$ c) $\frac{6}{7}$ d) $\frac{1}{2}$ e) $\frac{2}{3}$ _____

4 a) 15% b) 50% c) 97% d) 100% _____

5 a) £80 b) \$5,800 c) €150,000 d) €20,000 _____

2) Answer these questions in full letters.

What is the population of your country? your city? _____

How many people study at your institution? _____

What is the average salary in your country? _____

What is the inflation rate? _____

Roughly how many people are unemployed? _____

What is the interest rate for savings? _____

3) Listen to the following extracts from a radio business news programme. Underline the numbers you hear.

- | | | | |
|---|---|---|--|
| 1 | a) Inflation rate: 2.0%/ 1.2% | | |
| | b) Unemployment: 1,258,000/ 1,800,000 | 3 | a) Job losses: 1/3 / $\frac{1}{4}$ |
| | | | b) Workforce reduction: 15,000/ 5,000 |
| 2 | a) Profits increase: \$1.8 billion/ \$1.8 million | | |
| | b) Sales increase: 80%/ 18% | 4 | a) Interest rate reduction: 0.5%/ 1.5% |
| | | | b) Economic growth: 2.8%/ 1.8% |

D) Listening Comprehension

1) Professor Roger Mumby-Croft is head of the enterprise Centre in the Business School at Oxford Brookes University. Listen to the first part of the interview. What are the main problems facing new businesses, in his experience?

2) Listen to the second part and decide which of the following was the interviewer's question.

1. What advice do you give to people starting their own companies?
2. Why are there so few agencies which really help new businesses?
3. How can new businesses get help to grow and become successful?
4. Why do so many new companies have problems with business planning?

3) Listen to the third part of the recording and say whether the following statements are right or wrong

1. The managing director was confident that the electrical engineers would be able to build and grow business. right/wrong
2. The engineers needed help in order to develop their product. right/wrong
3. The product they developed was problematic from an environmental point of view. right/wrong
4. It took two years to develop their business skills. right/wrong
5. Their turnover this year will be over a million pounds. right/wrong
6. They were able to grow properly because they had recognised their weakness. right/wrong

E) Reading Comprehension

1) Discuss these questions

There are four key ingredients when starting a new business: an innovation, a good team, the right market opportunity, and the right financing strategy. In what ways are they important? These phrases may help you:

If you have (an innovation), you can _____

Without a good (team), you can't _____

If you want to _____, you have _____

It is impossible to _____ if you haven't got _____

2) In your opinion, which of those four ingredients is the most important? Why?

3) Go through the article quickly to find the four elements that a good team needs.

A good team needs:

the ability to _____

How to add the human touch

by Doug Richard

When thinking about how you start your business, getting the right team together will be the most important and the most difficult decision you make.

The reason is simple. No one person has all the skills, experience, contacts or reputation that are required to get a business up and running. So, in order to succeed, you will have to form a core team of people.

Before that, however, you can only know who else you need by knowing your strengths and your weaknesses. Having a great business idea does not mean that you have the skills to manage others. The hardest of all your decisions may be to let someone else lead the company you founded.

What, then, does the team need?

First, it needs the ability to sell - and in particular the ability to persuade others to buy into your vision.

Second, the team needs the ability to count. The business is managed by managing the flow of cash. It may be the accountant's job to do your books, but it is your responsibility to understand them so well that you use them to drive the business.

Third, the team needs experience. There are three types: customer experience, product experience and start-up experience. If you are going to sell an Internet service to restaurants, you need experience in the development of Internet services and the experience of running restaurants, if your team has only one or the other, you will either know what product to build or how to build it, but not both. Fourth, the team needs to have contacts, relationships, a network. Having people who can help you informally or formally will help your business succeed.

Finally, you and your team must be fully aware that starting a business means giving up two things - time and money. It frequently means working evenings and weekends, and being last in line for payment. Succeeding with an innovation-based company takes everything: all of your time, all your great ideas, lots of personal sacrifices, and it may take all of your money.

There is no magic formula to building a business. It is like putting together the pieces of a puzzle. But it is worth remembering that the team is the most important piece.

4) Say whether the following statements are right or wrong. Justify with a quote from the text

If you want your new business to succeed, you yourself first need to gain all the necessary skills and experience. right/wrong

New entrepreneurs sometimes rightly decide to let another person lead the company they started up. right/wrong

Good cashflow management is a necessary condition for a business to be successful. right/wrong

An effective team will have experience in only one key area. right/wrong

You need to put in a lot of time and effort before you can enjoy the rewards of owning a fast-growing start-up. right/wrong

Building the right team is the magic formula to setting up a successful business. right/wrong

5) Work in groups of three or four. Think about a business you could start as a group. Consider these questions.

What kind of business would it be? _____

What do you already have as a group? Think about skills _____

experience _____

contacts _____

What other strengths do you have? What about your weaknesses? _____

What difficulties do you think you may face? How will you overcome them? _____

F) Grammar: Time clauses

Time clauses provide information about actions and events in the past, present and future.

We often use when to introduce time clauses

He remembers when he first joined the company... (past time)

When there are few jobs, young people tend to study more. (present time)

When I am on the plane, I'll read all the contracts. (future time)

We can also use while, before, after, until and as soon as to introduce time clauses

Many new high tech companies started while the economy was growing.

We need to arrange our finances before we can develop the business/

After we meet the candidates, we'll decide how many to employ.

Until inflation is under control, planning will be difficult.

When we use a time clause to talk about the future, the verb in the time clause is in the present tense or the present perfect tense.

As soon as they sign the contract, we'll announce the deal.

We'll make the decision when we've finished the budget.

When we use a time clause to talk about potential events (in French we would use the conditional), the verb in the time clause is in the preterit or past perfect tense.

He said that as soon as they signed the contract, they'd announce the deal.

1) Match the sentence halves to make appropriate sentences

| |
|-------------------------------------|
| We'll have breakfast in the hotel |
| Please talk to your line manager |
| Until we have full employment, |
| We don't have to hire new staff |
| While you're waiting for the email, |
| We can set up in that country |
| While I'm with this company, |
| Consumer spending rises |

| |
|------------------------------------|
| could you check these figures. |
| when the conditions are right. |
| as soon as interest rates fall. |
| until we get new business. |
| before you sign the contract. |
| our economy will not improve. |
| before we go to the office. |
| I want opportunities for training. |

2) Complete these sentences with when, while, before, after, until or as soon as. More than one answer may be possible in each case.

Don't make a decision _____ we've seen the report.

I'm seeing Atsuko this afternoon. Send her up _____ she arrives.

Let's sort out this problem _____ she gets here.

I'm coming to Paris tomorrow afternoon. I'll phone you _____ I arrive.

Can you type this report for me _____ I'm away?

3) Kate North is an American who works in London. Read about her work routine and underline the most appropriate words.

I usually get to work *before/ as soon as/ until* my boss arrives and *as soon as/ while/ before* I arrive I check my e-mail and post. I usually try to answer all important enquiries *until / as soon as/ before* I go to lunch. *As soon as / until/ while* I'm having lunch, I often discuss problems with colleagues. *When/ before/ until* I work long hours, I can take time off another day. I have a lot of flexibility over *as soon as/ when/ until* I arrive at the office and *before/ when / while* I leave depending on the daily workload.

G) Case study Marcia Lee

Background

Marcia Lee Jeans is based in New York. Its brand is well-known in the United States. The jeans sell in the upper price ranges and appeals to fashion conscious people aged 15 to 40. They are distributed in major department stores throughout the country. At present, the jeans are made in the US by a number of factories on the East coast, none of which are owned by Marcia Lee Jeans.

Competition in this segment of the market is strong, so the company has to keep costs as low as possible in order to remain profitable.

In the next 10 years, Marcia Lee Jeans plans to expand in Europe and Southeast Asia so that it becomes a global company. To do this it has decided to build its own factory in an overseas country. The factory will have approximately 2,000 workers who will produce the jeans. These workers will be recruited locally. Denim, the raw material which is used to make the jeans, will be imported from several countries.

The company is considering four countries as a location for the factory.

Task

You are members of the planning committee which must choose a location for the new factory.

- Work individually. Study the four countries and rank them in order of suitability as a location.
- Work in small groups. Discuss the advantages and disadvantages of each location.
- Meet as one group, with one of you leading the discussion. Decide which is the most suitable location for the new jeans factory.

Writing

Write a letter to the head of the chamber of commerce of the country you have chosen. In the letter you should introduce Marcia Lee Jeans and suggest a possible meeting in order to discuss the proposal further.

| | Country A | Country B | Country C | Country D |
|------------------|--|---|---|---|
| ECONOMY | | | | |
| General trends | The country has a lot of debt and is trying to modernize its economy. | A modern industrial country with many manufacturing industries. | Unstable currency exchange rate. | Government encourages the privatization of industry. |
| Growth rate | 2% per year | 1.5% | 8% | 4% |
| Inflation rate | 5% | 0.5% | 10% | 5% |
| Interest rates | 10%-15% | 8%-10% | 4%-6% | 8-12% |
| Unemployment | 25% | 3% | 12% | 12% |
| TRANSPORT | | | | |
| | Good rail network but poor roads and seaports, new international airport. | Has a fully integrated road and rail network, international airport, no seaport. | Good transport around the main seaports, small but well-managed airport, road network needs investments. | Road and rail network is in poor condition. Government has started big investment programme for the transport system. |
| LABOUR | | | | |
| Workforce | Unskilled labour available. A lot of training needed for jeans production. | Not a lot of skilled labour available. | Not much skilled labour available. | Large supply of skilled workers, but they are not used to working long hours. |
| Unions | No unions in most industries | Strong unions | Very strong unions in the clothing industry | Strong unions |
| Wages | Very low | High | Low but rising fast | Low |
| COMMENTS | | | | |
| business | The government will contribute 30% towards the cost of a new factory. | Member of a large trading group, strict new laws on pollution, no tax incentives for building new factories, business tax is very high. | Limit on the profits which companies can take out of the country, not much paperwork required to import and export goods, strong protest movement against foreign business. | A lot of paperwork is required for new businesses, air and water pollution problems, tax-free profits for first 3 years, companies must pay 5% of their profits into a fund to train their workers. |
| General comments | Military government, bribery is common, political problems: the people in the north want to become an independent state. | Stable government | First free elections for a democratic government last year. | — |