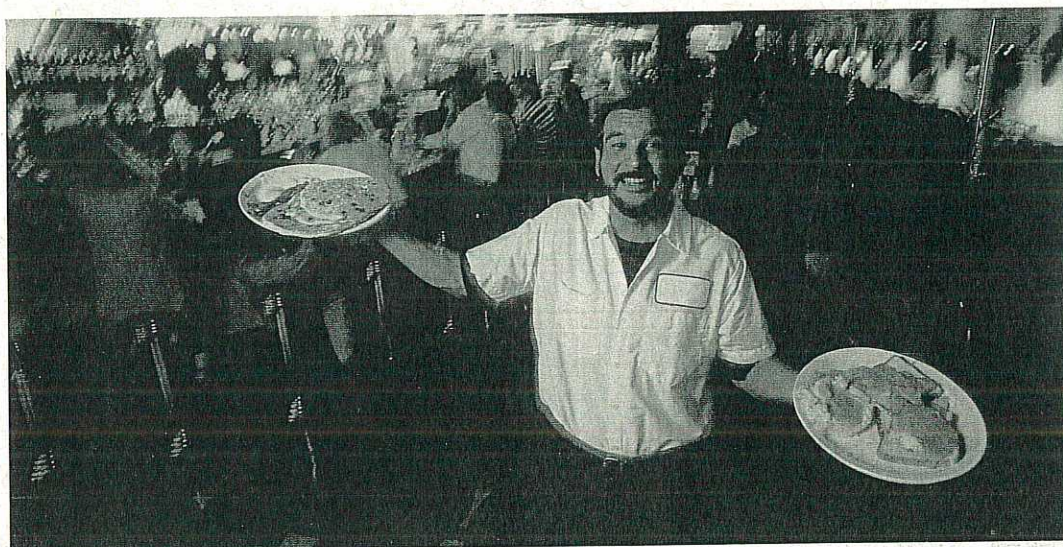


32.1 Choose the correct expressions in brackets from A, B and C opposite to complete the text.

I started 15 years ago with (1 capital/dividends) of \$A50,000. We had one small restaurant in Sydney and now we have twenty throughout Australia. My (2 borrowers/shareholders) were members of my family: my parents, brothers and sisters all put up money. They didn't receive any (3 dividends/shares) for the first five years: we put all our profits back into the company! Now we want to increase the amount of (4 equity/dividends), so we are looking for outside (5 borrowers/lenders).

(6 Lenders/Shareholders) have been very helpful. We obtained \$A50,000 of (7 loan capital/share capital) from a bank when we started. Now we have paid off all the (8 dividends/principal) and (9 interest/shares) after seven years. We have taken out other loans recently, but our (10 lending/indebtedness) is not bad in relation to the size of the business.



32.2 Answer these questions, using expressions from C, D and E opposite.

- 1 You want to raise money for your company, but you do not want to sell shares. What can you use instead? (2 expressions)
- 2 You want to raise money and you want to reassure lenders that they will get their money back if your company cannot repay. What would you offer them? (2 expressions)
- 3 You are interviewed by a financial journalist who wants to know why you are borrowing money. What do you tell them that you want to increase? (2 words)
- 4 The journalist writes an article saying that your company has a lot of debt in relation to its share capital. Which two expressions might she use in her article?
- 5 A few months later the journalist writes an article saying that your company has too much debt in relation to its ability to pay. Which expression might she use in her article?

Over to you



Would you like to start a business? What sort? Where would you get the capital?

Where do people in your country normally get capital? What are the advantages and disadvantages of the different methods?

Language check

Third conditional

We use this to speculate about past events, actions and situations. It consists of two clauses: a conditional clause with *if* + past perfect, and a main clause with a past modal (*would/might/could/should* + *have*) + past participle.

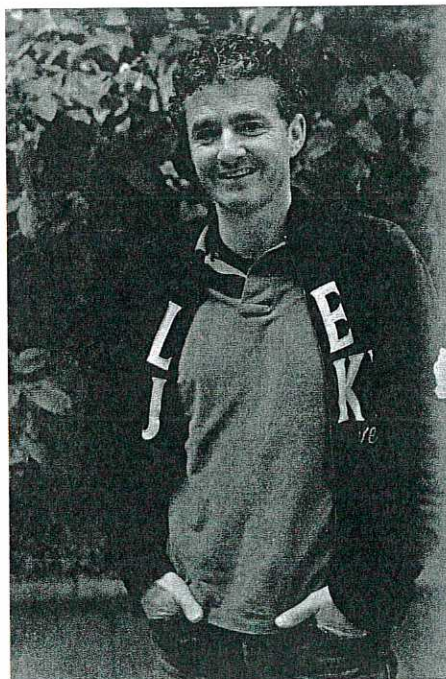
In the conditional clause, we use a negative verb when we refer to something that actually happened and an affirmative verb to refer to something that did not happen (but could have). Third conditionals are often used to express functions such as regret, apology, accusation, excuse and relief.

Look at the following comments made by entrepreneurs. Do the conditional clauses refer to events that occurred (✓) or to things that did not (x)? Which comment expresses (a) relief, (b) regret, (c) excuse, (d) accusation?

- 1 If I hadn't already had experience of working for a start-up, it would have been much harder for me to build the company. In fact I'm not even sure that I would have succeeded. _____ , _____
- 2 It took much longer than I thought it would to get the business off the ground. But if we'd had access to more capital, we would have broken even much sooner. _____ , _____
- 3 The main problem we had was that my partner and I didn't agree on how to position our product. I believe that if we'd followed my plan we would have generated enough sales to keep us in business. _____ , _____
- 4 My bank manager told me to improve my financial skills. But even if I had, I don't think it would have made any difference – nothing would because the market just wasn't ready for something so different. _____ , _____

Practice

Complete the following passage with appropriate conditional forms.



After working for ten years as an engineer, Andrea Sabatini was made redundant. As he says, 'At that time the job market was pretty tight in my field so even if I (¹find) _____ a new job, I don't think it (²pay) _____ anything like the same salary that I was getting before.'

After six months the only offer that he had received was for a position abroad: 'If I (³take) _____ the job, it (⁴mean) _____ moving to Canada with my wife and children and even if we (⁵do) _____ that, the salary wasn't tempting.'

Eventually Andrea accepted a position with an engineering company and that was the first step on his path to becoming an entrepreneur. 'If I (⁶accept) _____ that position, I don't think I (⁷end up) _____ becoming an entrepreneur.'

In his new position Andrea worked in research and development, but in his spare time he had access to the company's facilities. He used that time to develop a new concept for a mini surveillance robot but when he proposed the idea to his boss, it was rejected. 'If they (⁸want to) _____ , they (⁹develop) _____ it because there was a real market for a product like that. But they weren't interested in robotics. So I went ahead on my own and today I'm managing a business which has a turnover of several million euros and provides work for thirty-five people. There's always an element of luck in everything. I mean it (¹⁰turn out) _____ so differently.'

Speaking

Think of a situation in the past when you were affected by an important event. What were the consequences of this event? What would have/could have/might have changed if this event had not happened in the way that it did? Share your thoughts with a partner.

Reading

Read about entrepreneurial activity in different parts of the world. In some lines there is an extra word. Underline the incorrect word or write CORRECT next to the line number.

Enterprising rising

0 Entrepreneurial activity, badly hit by only the bursting of the dotcom bubble,
 CORRECT 00 rose strongly last year in both America and Britain. According to a recent
 1 study of any 40 countries, the Japanese also became more entrepreneurial
 2 in 2003, although such enterprise was even unchanged in Germany
 3 and fell sharply in France. An entrepreneur is not defined as anyone
 4 creating or is running a start-up company (less than three months old)
 5 or a baby business (four to 42 months). A random sample of people
 6 aged 18-64 were surveyed to produce an index of total entrepreneurial activity
 7 for each country. Because the opportunity, or need, to be entrepreneurial
 8 can be differ sharply between countries, particularly between rich and
 9 poor countries, comparisons are extreme tricky. In 2003, America was the
 10 most entrepreneurial country, with which some 11.9% of 18-64-year-olds
 11 entrepreneurs. Uganda had the highest such proportion of entrepreneurs
 of all: 29.2%.

Writing

You work for a PR agency. You have been asked to write a press release for a bank, to advertise:

- their strong financial performance over the last 12 months
- their commitment to ethical investment
- a new investment opportunity for customers.

Write 180-220 words. Then compare your answer with the suggested answer on page 92.



Unit 9

Investment

4



Vocabulary: Investment
Language: Emphasis
Career skills: Prioritising
Writing: Press release for a bank

Vocabulary

1 Match the pairs.

- | | |
|----------------|--------------|
| 1 strategic | a movement |
| 2 venture | b gains |
| 3 stock market | c alliance |
| 4 business | d angel |
| 5 financial | e capitalist |
| 6 business | f portfolio |
| 7 investment | g venture |

2 Complete the table below.

adjective	noun
1 stubborn	stubbornness
2	entrepreneur
3 bankrupt	
4	ethics
5 intuitive	
6	risk
7 analytical	
8	diversification

3 Make words with prefixes to complete the sentences.

- That document pre-dates me. I only started here last June.
- My colleague's bi _____. She speaks French and Spanish fluently.
- The team have under-_____ their budget by about 5%.
- I'm only half-way through my report. I really under _____ how long it would take.
- The meeting was pre _____, and will take place on Friday.
- The cheque's been post _____ for next Tuesday.
- I think the shares have been over _____ by about 10%.

4 How many adjectives to describe personal qualities can you find in the word search?

c	a	l	c	u	l	a	t	i	n	g	w
c	i	g	l	j	k	p	k	p	g	r	c
i	l	a	h	l	f	j	v	r	k	e	i
j	f	j	a	o	s	t	h	u	s	e	t
m	t	o	b	f	z	b	w	d	g	d	s
r	e	c	k	l	e	s	s	e	k	y	i
e	i	d	c	p	t	q	y	n	s	q	m
l	c	i	t	s	i	m	i	t	p	o	i
o	p	i	n	i	o	n	a	t	e	d	s
i	m	h	m	h	k	u	g	s	u	h	s
f	o	c	u	s	e	d	h	j	y	v	e
l	d	e	n	i	m	r	e	t	e	d	p

Language check

1 Put the words in the correct order to make useful phrases for prioritising.

- for / about / forget / that / now
Forget about that for now.
- get / Maxine / let's / to / attend / conference / the
- might / useful / be / it / but / we / have / if / only / time
- really / do / the / we / ought / to / review / urgently
- is / next / the / step / to / new / staff / recruit
- absolutely / is / the / meeting / deadline / imperative

2 Correct the errors in these sentences.

- The assessment of the risks has shown is that the procedure needs reviewing.
What the assessment of the risks has shown ...
- On no account you should falsify the accounts.
- Rarely I have faced so much pressure.
- Never my boss has asked me to give my opinion.
- Not only we exceeded expectations, but we also made a record profit.
- What our reinvestment trust provides affordable loans to small businesses.
- Under no circumstances, companies should be afraid to ask for help.

Unit 11

Going public

6



Vocabulary: **Going public**
 Language: **Future forms**
 Career skills: **Making a presentation**
 Writing: **Short report describing a graph**

Vocabulary

1 Which is the odd one out in each set?

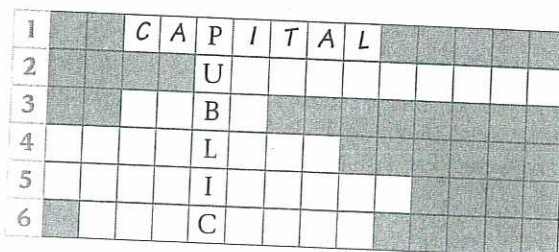
- | | | | |
|--------------------|-------------------|---------------|--------------|
| 1 a stocks | b <u>accounts</u> | c equities | d options |
| 2 a investor | b analyst | c adviser | d consultant |
| 3 a pioneer | b entrepreneur | c risk-taker | d manager |
| 4 a outmanoeuvre | b outscore | c outstay | d outperform |
| 5 a rational | b corrupt | c fair | d unbiased |
| 6 a handle | b manage | c direct | d comply |
| 7 a offering | b brokerage | c fee | d commission |
| 8 a grow | b increase | c diminish | d expand |
| 9 a acquire | b receive | c obtain | d repay |
| 10 a collaboration | b alliance | c partnership | d customer |
| 11 a auction | b racket | c deception | d corruption |

2 Match the words with similar meanings.

- | | |
|---------------------------|----------------------------------|
| 1 initial public offering | a control |
| 2 monopoly | b revolutionise |
| 3 regulation | c flotation |
| 4 share | d cartel |
| 5 reform | e Securities Exchange Commission |
| 6 stock exchange | f stake |

3 Use the clues to find the words in the puzzle.

- value of an individual's or a company's assets
- make a financial guarantee
- money owed to someone else
- reveal information
- payment made to an agent or broker
- a price reduction



4 Match the pairs.

- | | |
|--------------|------------------|
| 1 impose | a pressure |
| 2 raise | b capital |
| 3 face | c information |
| 4 go | d views |
| 5 disclose | e public |
| 6 file | f an offering |
| 7 underwrite | g an application |
| 8 exercise | h stock options |

5 Complete the sentences with on, with, to, for, at or into.

- We've recently introduced our shares on the stock exchange.
- It's essential for the company to comply with all SEC requirements.
- Capital in the region of \$3m will be available for growing the business.
- Access to our helpline is open to all kinds of businesses.
- In order to provide a good service, we rely on a huge team of trained staff.
- The company was founded on three values: trust, enterprise and creativity.
- If I offer you the shares at a 5% discount, are you interested?
- We're looking at a huge loss, one that could easily run into millions.

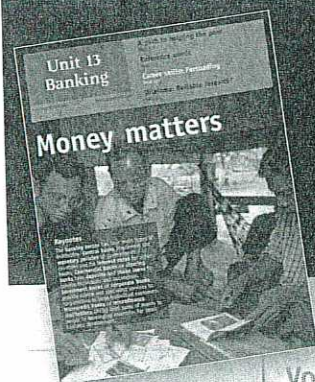
Language check**Underline the correct verb forms.**

- I'm sure our company is going / will have gone public by the end of the year.
- The IPO is going / goes ahead despite rumours to the contrary.
- I'll check the details again before I will file / file the application.
- The company may take on / may have taken on new staff after the forthcoming merger.
- As soon as I'm going to hear / hear from you, I'll get in touch with the auditors.
- Who manages / is managing the auction tomorrow?
- I can confirm that the meeting with the accountant is going to start / may start at ten. Please be prompt.
- I definitely won't be buying / might not buy any shares in Manleys.
- All employees will receive / are receiving about \$1,000 when the company goes public.
- We are going to invite / invite all staff to the launch next month.

Unit 13

Banking

8



Vocabulary: Banking
 Language: Reference words
 Career skills: Persuading
 Writing: Email responding to a request for information

Vocabulary

1 How many different types of bank can you think of?

microfinance

bank

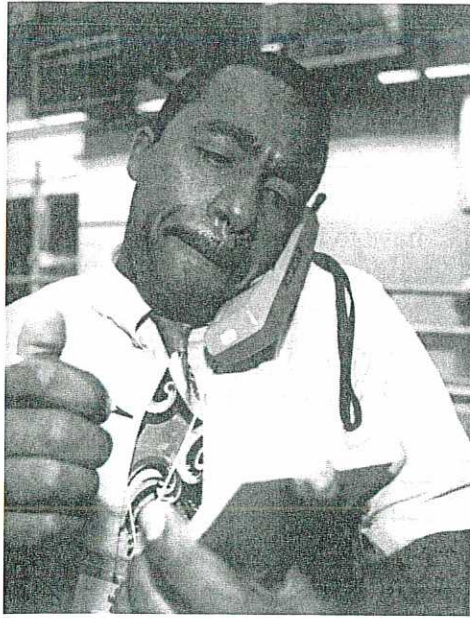
2 Match the words with the definitions.

- 1 rating agency
- 2 venture capital
- 3 asset management
- 4 joint venture
- 5 deposit
- 6 stock trading

- a service offered by banks, etc. to maximise returns on investments
- b a business alliance entered into by two or more parties
- c part of the sale price paid in order to reserve it
- d monitors the credit backing of different forms of public borrowing (e.g. Standard and Poor) 1
- e money invested in a project where risk is involved
- f buying and selling shares, etc.

3 Match the verbs and nouns.

- | | |
|-------------|------------------|
| 1 fix | a a policy |
| 2 provide | b interest rates |
| 3 go | c public |
| 4 implement | d cheque books |
| 5 issue | e a transaction |
| 6 carry out | f advice |
| 7 raise | g capital |



4 Complete the table.

	verb	noun	person
1	<i>assess</i>	assessment	<i>assessor</i>
2		_____	lender
3			banker
4		loan	_____
5	implement		_____
6	invest		
7	pay		_____
8		recovery	_____

5 Match three of these verbs with each noun.

apply for	make	secure	lend	pay off
pull out of	agree	invest	deposit	

- a apply for
_____ a loan

- b _____
_____ a deal

- c _____
_____ money

6 Match the words to the categories.

institution	business	client management	taxation
joint venture	corporation	pension planning	company
corporate debt	agency	portfolio management	merger
takeover	partnership		

- a Types of organisations:
business _____

- b Types of alliances:
partnership _____

- c Types of banking departments and services:
client management _____

Review 2

Language check

Paired structures

1 Combine words from the boxes below to form paired structures. Use each combination once only.

once whether neither both not only

and but also or nor then

2 Complete the dialogue below with appropriate paired words from above.

- A: We need ¹_____ to listen to our shareholders ²_____ to act on what they are saying.
- B: Yes but they want us ³_____ to sell our only profit making business ⁴_____ to increase profits!
- A: ⁵_____ we sell our retail business ⁶_____ not, we still need to improve the performance of the other sectors.
- B: ⁷_____ we sell off the retail sector we can ⁸_____ concentrate on making changes to the other sectors.
- A: Well, I think we should ⁹_____ sell the stores ¹⁰_____ meddle with the other businesses.

Third conditional

Complete the sentences with the appropriate form of the verbs in brackets.

- If disasters like Exxon and Bhopal (not happen) _____ perhaps companies (not develop) _____ CSR strategies to minimise risks.
- The clean up after the oil spill (go) _____ more quickly if the damages (award) _____ sooner.
- If Bhopal (be) _____ operational at the time, more safety precautions (take) _____.
- If the Supreme Court in the US (not overrule) _____ the original decision, \$5 billion would (be made) _____ available after Exxon.

Discourse markers

1 Which of the discourse markers in the box below can be used to do the following?

actually unfortunately then
by the way so luckily

- indicate an attitude _____
- sequence or to list _____
- signal a change of topic _____

2 Complete the sales pitch for Luna Jets with discourse markers from the box above.

Ever fancied flying a private jet? ¹_____, for most that usually remains a flight of fancy! ²_____ for you all that's about to change! Luna jets provides affordable private jet travel for all business travellers. 'Impossible!', I hear you say. How can it be done? Well, ³_____ very easily. Let me explain! You see, most private jets return from their destination empty. ⁴_____ we make a deal with the operators, ⁵_____ we post all available flights on our database. Oh yeah, and ⁶_____ booking and payment can also be done online. Business travel will never be the same again!

Consolidation

Choose the correct form of the words in *italics* in the article on franchising below.

Franchising often seems like a good solution for people who want to start a business. ¹ *As well as/ On the one hand* being more successful than most start-ups, franchises are ² *also/on the other hand* a more attractive investment for banks. ³ *Furthermore/ However*, there are many pitfalls and ⁴ *consequently/ on the whole* many people fail. As Jack Browne told us, 'If ⁵ *I had known/I knew* ⁶ *initially/obviously* what I was letting myself in for I ⁷ *would have put/will put* my money in the bank! After a year I gave up.'

⁸ *So/Then* this begs the question: what went wrong and what could he ⁹ *have done/do if he* ¹⁰ *had wanted/ wants* to turn the business around?

¹¹ *Subsequently/Actually* one year often isn't enough to make a business work. It takes ¹² *not only/either* a considerable amount of hard work ¹³ *or/but* also determination and perseverance. ¹⁴ *Finally/On the whole*, people shouldn't be put off by Jack Browne's experience – a good franchise network, run by dedicated people does ¹⁵ *by and large/by the way* provide a strong platform for success.

Vocabulary check

1 Complete the text with the words from the box.

feasibility stakeholders governance
principles accountable business model
citizens shareholder value transparency
entrepreneurship

Our CSR policy – Reaching out

Central to our CSR policy are our ¹ _____ of conducting business with ² _____ and responsibility as well as adhering to the key practices of good corporate ³ _____. As responsible corporate ⁴ _____ we aim to enhance communities by promoting commerce in rural areas by rewarding ⁵ _____ through our funding of start ups.

Applicants provide us with a ⁶ _____ to help us assess the ⁷ _____ of the concept. We study the ideas carefully before deciding because we are ultimately ⁸ _____ to our own ⁹ _____ and our first duty still has to be to increase their ¹⁰ _____.

2 Form verb-noun collocations with a word from each box to complete the text.

issue face uphold air table
challenge view motion rights warning

Doing it the Japanese way

Recently Japanese companies have had to ¹ _____ of investors protesting and loudly ² _____ about their dissatisfaction with low dividends. Shareholders have ³ _____ at meetings designed to give them greater returns on investment. In most cases they have failed to be heard but some companies did ⁴ _____ of investors to earn more by making small increases. However these companies ⁵ _____ that short term gains could be detrimental to long term profits.

Usage

Idioms

- 1 driving a hard bargain _____
- 2 putting someone on the spot _____
- 3 throwing the baby out with the bath water _____
- 4 being in the firing line _____
- 5 putting a spanner in the works _____
- 6 fighting a losing battle _____

Which of the idioms 1-6 would you use when talking about the situations a-f?

- a imposing difficult choices
- b using tough negotiating techniques
- c putting forward hopeless lines of argument
- d getting priorities wrong during change
- e creating obstacles to progress
- f finding yourself in the most exposed position

Career skills

Taking responsibility

Label the parts of the statement to the press with headings from the box below. Then complete the statement with the correct form of the words in brackets.

Divert attention Accept there is a crisis
Describe action Address the issues

A

The Food and Drugs Administration alerted us to the problem with our new contact lens solution early yesterday. Advanced Optics Solutions would like to make a full public (¹acknowledge) _____ of the issue here today.

B

Naturally, we reacted in the interest of public health by (²voluntary) _____ withdrawing the product from the market immediately.

C

I welcome this opportunity to (³apology) _____ to our consumers and hope that they haven't been inconvenienced.

D

AOP will continue its (⁴cooperate) _____ with the FDA and through superior technologies will carry on the (⁵develop) _____ of superior vision care products globally.

Reading 2 The business plan

A business plan helps a new venture to clarify its business model, solidify its goals and present itself to potential investors. The structure usually follows a conventional format with headings for all the key information that a potential investor will need to know.

- | | |
|-------------------------|----------------------------------------------------------|
| a The business | f Industry analysis |
| b Executive summary | g Financial plan |
| c Critical risk factors | h Operations plan |
| d Management team | i Company structure, ownership and intellectual property |
| e Marketing plan | |

1 Insert the appropriate heading from a-i above each section.

1 _____
This section provides an overview of the business plan. Potential investors will focus on this section before asking for the complete plan. If it does not present a clear summary of what the new venture is setting out to achieve, it is unlikely that potential investors will read further. It is best written once the rest of the plan has been finalised.

2 _____
This is where the entrepreneur has to demonstrate the financial validity of the business by discussing the funding requirements and detailing the financial projections over a three-year period. This section should also show investors what sort of return they can expect on their investment and what provisions have been made in the event of the business being sold.

3 _____
The strength, experience and skills of the people who will manage the venture are of primary importance. Venture capitalists will want to know if they have the necessary qualifications and the right background. This section should also include the composition of the board of directors and the names of the legal, accounting and consulting firms that the venture will be working with.

4 _____
Tensions between the partners of a new venture often arise from a failure to clearly define who will be responsible for what. A business plan should always include an organisation chart showing exactly what the reporting relationships will be. This section of the plan should also present the legal framework under which the company will operate and indicate what trademarks, patents and copyrights the venture owns.

5 _____
This section discusses industry size and the major trends in the industry in which the new venture will be competing. It should also describe the business's target market and show how its products will be situated in relation to those of its competitors.

6 _____
This is where a new venture must be able to show not only that it has a product which people will be interested in buying but also that it has a realistic plan for getting its product into the hands of those buyers. There should be a complete presentation of the product and a full description of how it will be priced, distributed and promoted.

7 _____
This section deals with the day-to-day running of the company. If the business is planning to manufacture a product, there should be a full description to show where this activity will take place and how much work will be done in-house or by subcontractors. Questions of quality control and customer support should also be addressed.

8 _____
This should give a short description of the opportunity that the entrepreneur has identified – that is, the problem to be solved or the need to be filled – and then describe how the business will address these issues and what competitive advantage it will benefit from.

9 _____
No business plan is complete without a frank discussion of the potential dangers that a new venture faces. What those are depends on various factors such as pending patent applications or the recruitment of qualified specialist personnel.



2 Read the following extracts from a business plan. In which sections of the plan would they appear?

- FlashGarb has now been registered as a limited company in the UK.
- David Gestner will take full responsibility for the research and development of electronic systems and interfaces.
- Prospective customers include a number of well-established brands which have already informally expressed interest in FlashGarb's original concept.
- The components for the modulator system will be imported from selected domestic and overseas suppliers and assembled in situ.
- The remaining capital will be sourced partly from a regional business development fund and partly from a national UK bank.

Reading

1 Read the article about an environmentally-friendly building. Then complete each of the gaps with an appropriate word.

2 Now answer these questions about the article.

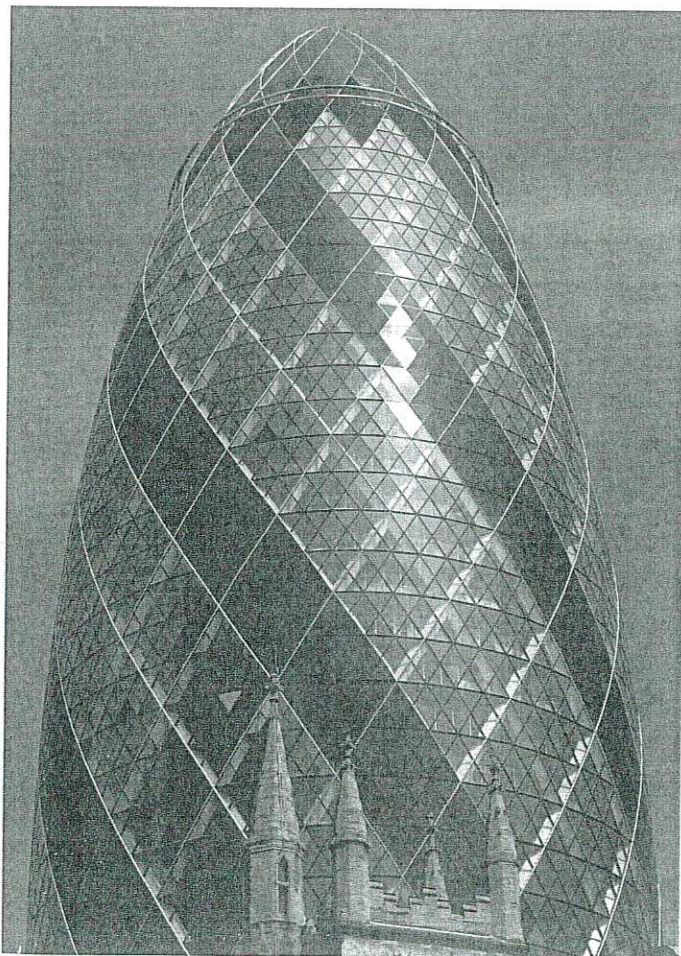
- 1 Why is the building called 'the Gherkin'?
because of its distinctive, curved shape
- 2 What is remarkable about the building?
- 3 What do the figures 65%, 30% and 36% refer to?
- 4 What is the 'green architecture movement'?
- 5 What are the benefits of 'green architecture'?

The Economist

Reports

The rise of the green building

Reducing the environmental impact of new buildings



It is officially known ¹ *as* the Swiss Re Tower, or 30 St Mary Axe. But Londoners universally refer ² *to it* the newest addition to their skyline as "the Gherkin", thanks to the 41-storey building's distinctive, curved profile, which actually looks more like a pine cone. ³ *What* is most remarkable about the building is not its name or its shape, however, ⁴ *but* its energy-efficiency. Thanks to its artful design and some fancy technology, it is expected to consume ⁵ *up to* 50% less energy ⁶ *than* a comparable conventional office building. Most people are not used ⁷ *to* thinking of large buildings as vast, energy-guzzling machines. But that is what they are. In America, buildings account ⁸ *for* 65% of electricity consumption, 36% of total energy use and 30% of greenhouse-gas emissions. So making buildings ⁹ *more* energy-efficient could have a significant impact ¹⁰ *on* energy policy, notes Rebecca Flora of the Green Building Alliance, a group that promotes sustainable architecture. That is a key goal of the "green architecture" movement, ¹¹ *which* is changing the way buildings are designed, built and run.

Proponents of green architecture argue that the approach has many benefits. In ¹² *the* case of a large office, for example, the combination of green design technology can not ¹³ *only* reduce energy consumption and environmental impact, but also reduce running costs, create a more pleasant working environment, improve employees' health and productivity, reduce legal liability, and boost property values and rental returns.