

Business, enterprise and entrepreneurship

- 1 Work with a partner. Look at the photos and describe what you can see. What do you think the article is about?
- 2 You are going to read a textbook article about business start-ups. In pairs, think of two or three questions about starting a business that you'd like to find an answer to. Read the text quickly to see if it answers your questions.

A risky business?



For young people leaving formal education, the type of career path they choose to embark on can vary enormously. Some may follow in a parent's footsteps and go to work for the family firm. Others may choose to serve an apprenticeship. Others may end up with an entry-level job in a company. For those who want to be their own boss, however, the idea of a business start-up can be an attractive prospect. A new business start-up is known as an enterprise and the people who set them up are entrepreneurs.

Setting up a new enterprise can be a daunting prospect, but there are clear benefits to doing it. First and foremost it can give the budding entrepreneur an immense feeling of satisfaction to create something out of nothing, often single-handedly. Being independent and able to implement one's own ideas is another key advantage. It also has the obvious benefit of making a considerable profit, should the business succeed. However, for every benefit there is a possible risk. If the business fails, there is the potential to make a loss. Being independent also means there is no other support – the success or failure of the business lies solely with the entrepreneur.

The first thing any entrepreneur needs to do is come up with a viable business plan. Countless business start-ups fail each year because the company lacks a clear and realistic business plan. Many people ignore the importance of market research, rushing forward without knowing what their customers really want or need.

Once there is a solid business plan in place, the next thing to think about is funding. Starting a business requires considerable outlay – for example, to buy the product or the raw materials to make the product, as well as to pay for advertising, retail space, and/or

website design. Traditionally a small business will try the bank first for a loan.

Many banks offer specific start-up loans for small businesses, provided they can show evidence of a sound business plan. However, many people are choosing to raise capital through crowdfunding sites such as Kickstarter. In return for anything ranging from a free product to shares in the company, members of the public can donate money to small business start-ups.

So, how do you know if a business start-up is for you? Along with a willingness to take risks and work hard, you'll also need a number of other skills, such as resilience, determination and drive. The ability to think creatively in a number of different ways is also advantageous. Lateral thinking (thinking 'outside the box'), deliberate creativity (using different thinking techniques to create new ideas) and blue-sky thinking (looking at an opportunity with fresh eyes) are all specific creative-thinking techniques that successful entrepreneurs employ. And finally, however good your product, and whatever lengths you go to to make it succeed, you will also need a certain amount of luck. There is a lot to be said for being in the right place at the right time!

3 Read the text again. Put these topics in the order in which they are mentioned.

- 1 Different types of creativity
- 2 Risks of starting your own business
- 3 The importance of luck in success
- 4 Traditional funding
- 5 Other skills needed to be a successful entrepreneur
- 6 An example of a new way to fund a start-up
- 7 Examples of different career paths
- 8 Benefits of starting your own business
- 9 The importance of a solid business plan

4 Read the text in more detail and answer the questions.

- 1 What kind of person makes a successful entrepreneur?
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- 2 Why do many business start-ups fail each year?
.....
- 3 Why do people donate to crowdfunding sites such as Kickstarter?
.....
- 4 Why do business start-ups need initial funding?
.....

?? DID YOU KNOW?

In 2014, in the UK, there were over half a million business start-ups. However, on average, around 20% of business start-ups fail in the first year, with 50% not surviving beyond five years.

PROJECT

- 1 Work in pairs. You are each going to research a business start-up. One of you should choose a start-up that was successful and the other a start-up that was unsuccessful. Make notes on the following points:
 - the person or people who started it
 - the product
 - how they funded it (e.g. traditional funding, crowdfunding, or another way)
 - why it is/wasn't successful.
- 2 In the next lesson, share your information and prepare a short presentation about your contrasting start-ups.
- 3 Work with another pair and take turns to give your presentations to each other.

VOCABULARY FOCUS

budding [adj]: at the very beginning of a career and likely to be successful at it

capital [n]: money you use to start a business

crowdfunding [n]: the process of getting a large group of people to finance a particular project, especially by using a website where people can make contributions

daunting prospect [phr]: something that is going to happen that makes you feel worried, because you think it will be difficult or dangerous to do

first and foremost [phr]: used for emphasising the main point or the most important reason for something

immense [adj]: extremely large or great

implement [v]: to make something such as an idea, plan, system or law start to work and be used

outlay [n]: the amount of money you must spend to start a new project or business

resilience [n]: the ability to become strong again after a disappointment or problem

viable [adj]: able to be done or worth doing