

Teacher's notes Unit 6 New business

Level: Upper-intermediate

The slides in this PowerPoint presentation focus on:

Reasons for starting your own business (Slide 1)

Ways to bootstrap a start-up business (Slide 2)

Taking questions in presentations (Slide 8)

In addition, Slide 3 gives you images to go with *Discussion 7* on page 70 of Student's Book, Slides 4-7 the text for *Discussion 1* on page 72 of Student's Book, Slide 9 four photos from *Discussion 1* on page 78 of Student's Book and Slides 10-11 a suggested executive summary for *7 Writing* on page 79 of the Student's Book.

Slide 1: photos to introduce *Discussion 1* on page 70 of the Student's Book

These photos are intended to introduce the topic of why an individual might want to start their own business – what might be motivating them to do this. They might be bored in their job, fed up with commuting, wanting to spend more time with family or feeling ready to take the risk of going it alone and perhaps making a lot of money.

Ask your students to say what kind of motivation for starting on one's own the photos suggest to them before going to *Discussion 1* on page 70.

Commentary:

Photos

Commuting on foot: perhaps you are fed up with battling your ways through crowds of people on the way to work

Traffic jam: similarly, perhaps the commute is awful and you want to work closer to home

Working in an office: you're fed up with office life, having to wear smart formal clothes to work

Yacht on the ocean: if things go well, perhaps you'll be able to retire early

Working outside at home: maybe you want to work from home

Mountaineering: perhaps you're at the point where you want to take some risks in your life!

[5 minutes]

Slide 2: Bootstrapping

This is the *Internet research* topic on page 70 of the Student's Book. The idea here is to get your students to think of all the ways they could self-finance the start-up of the business without having to borrow a lot or give away the value of their company.

The slide provides a simple checklist of areas to cover. Make sure first that your students understand what the term means and then why they might want to bootstrap a business. Essentially, you would do it to minimize the amount of money you owe and thus to reduce risk and keep and potentially lose control of the company.

Ask your students to think of ways to bootstrap a business under these seven headings.

Commentary:

Investment: use your own resources to pay for everything, from your credit card to re-mortgaging your house or flat

Income: make sure your customers pay quickly to improve cash flow

Payments: on the other hand, pay suppliers slowly to improve cash flow

Equipment: minimize what you spend on offices, computers and so on.

Stock: keep it to a minimum

Subsidies: find out if you can get government grants for your start-up

People: do as much as possible yourself instead of hiring lots of staff

[5 to 10 minutes]

Slide 3: *Discussion 7* on page 70 of Student's Book

Your students can use these images as they see fit when they present their plans for how they intend to invest their lottery win. The photos illustrate the three companies Breezewatt, NewClear and Fluban.

Slides 4-7: *Discussion 1* on page 72 of Student's Book

The four situations are presented over four screens with the seven financing options to allow you to introduce the topic. You may want to check your students understand the seven options first by doing *Discussion 2*.

Commentary:

BUSYBODIES

Leasing is probably the best option as for one thing it will allow them to upgrade the photocopier/printer more regularly and they won't have to worry about the responsibility of servicing and breakdowns.

FIXA

A bank loan is probably the best option as they only need a small sum of money. They could also consider borrowing from friends and family.

DON BEAL

Equity finance is an option although there is a danger of losing control of the business. There may also be grants available from the government for this type of invention.

ASC

An overdraft with their bank is the best option here. It is a minor cash-flow problem.

Slide 8: Taking questions in presentations

This is both the topic for Module 4 and the *Internet research* task. The exchanges on the slide are given here to introduce this topic and to get students thinking about the pitfalls and potential problems.

Ask your students to match up the beginnings and endings of the responses. Then get them to analyze what is happening, that is what the problem is, and how good the responses are.

Commentary:

I'm sorry I can't. I don't have those figures in front of me but if you give me your email address, I can send them on to you.

This shows a situation where the speaker does not have the information the person wants, however, the speaker handles it well.

Are there any further questions? (SILENCE) No, right. OK. Then I'll finish here. Thanks very much for listening to me.

This demonstrates a possibly embarrassing situation – where there are no questions. Clearly you need to have a strategy to deal with this situation. *Listening 3* focuses on this.

Well, what you ask is very interesting, however, I don't really understand how the question fits in with what I was saying.

This tells the questioner that their question is not relevant to the presentation. It sounds a bit abrupt and rude.

I think I covered that point in my talk but just to reiterate, the extra costs should be no more than 10%.

Here the speaker repeats information. Probably the speaker should not imply that the questioner may not have been paying attention to the presentation!

Well, I'm sorry you feel that way about my recommendations. I understand what you are saying but feel what I've said can work.

This shows a disagreement. The speaker tries to compromise. An awkward situation got over.

[5 to 10 minutes]

Slide 9: four photos from *Discussion 1* on page 78 of Student's Book.

These photos are provided to aid the discussion.

Here are some ideas on the risk and opportunities.

Restaurant

Risk: this is very dependent on the quality of your staff and keeping the good ones. If your chef goes, how easy will it be to replace him or her?

Opportunities: get it right and you might be able to expand into a chain of restaurants

Wood turning

Risk: this is very much a craft skill carried out by individuals or small workshops. As such, the main risk is that you might have to invest quite a lot in equipment and plant for potentially quite a small return.

Opportunity: maybe your wood products will become so fashionable that they are collectable. Or demand is such that you can consider mass production in a country where labour costs are lower.

Pharmaceuticals

Risk: this is a hugely expensive area to invest in, requiring years of research, development and trialling.

Opportunity: if you are able to produce a drug that has unique properties, then the rewards are potentially enormous.

Farming

Risk: a lot depends on factors outside of your control: the weather, government policy, production in other countries and regions.

Opportunity: this will depend on your choice of crop or animal stock.

Slides 10-11: Suggested executive summary for *7 Writing* on page 79 of the Student's Book

This is provided so you can go through it with your students once they have written their own versions. It is found on page 85 in the *Teacher's Book*. It goes over two screens.

Acknowledgements:

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