

The organization

6.1 About business Entrepreneurs

Discussion

'An entrepreneur is someone who has a good idea and sees a chance to start a business with it.'

PAVARTI PATEL, START-UP CONSULTANT

1 Work with a partner. Decide which qualities are most important for an entrepreneur to possess (1 = most important, 8 = least important).

- | | | | |
|------------|--------------------------|------------------------|--------------------------|
| Diplomatic | <input type="checkbox"/> | Organized | <input type="checkbox"/> |
| Optimistic | <input type="checkbox"/> | Willing to take a risk | <input type="checkbox"/> |
| Calm | <input type="checkbox"/> | Determined | <input type="checkbox"/> |
| Energetic | <input type="checkbox"/> | Creative | <input type="checkbox"/> |

Listening for gist

2 2:10 Listen to Robin Hurd interviewing Ms Patel, a start-up consultant, about being an entrepreneur and answer the questions.

- 1 Can anyone be an entrepreneur?
- 2 What stops most people from being an entrepreneur?
- 3 Which countries have a lot of entrepreneurs?

Listening for detail

3 Listen to the interview with Ms Patel again and answer the questions. Why does Ms Patel say these things are important when setting up your own business?

- 1 Energy
- 2 A social security system
- 3 A legal system

Scan reading

4 Scan the article about the German businesswoman Ingrid Roth to find answers to the questions.

- 1 What type of service does Ingrid offer?
- 2 Why did she set up a Ltd company?
- 3 Does Ingrid spend a lot of time in England because of her company?
- 4 How is it possible to set up a Ltd company in Germany?

Vocabulary

5 In each set of four, match an expression from the article on the left to the correct definition on the right.

- | | |
|-----------------------------|--|
| 1 gap in the market | a) documents or processes that cause delays |
| 2 minimum equity | b) a small amount of money as payment for a service |
| 3 red tape | c) the lowest amount of capital allowed to start up a company |
| 4 modest fee | d) this product or service doesn't exist, but there is a need for it |
| 5 Memorandum of Association | e) the central office of a company |
| 6 annual accounts | f) if the company has debts, you only lose the amount of money you invested |
| 7 headquarters | g) a document detailing who owns the company, how much capital is invested and where it is based |
| 8 limited liability | h) yearly record of the trading results |

UNLIMITED LTDS IN GERMANY

INGRID ROTH was unemployed and single when she offered to organize her sister's Christmas celebrations. Her sister, Karen Regensberger happily accepted because she was married with two children and a full-time, very stressful job. Ingrid bought and wrapped all the presents, bought and cooked all the food and decorated the house. And she offered a complete service – she cleaned and tidied everything after the event. It was such a success that friends of the family wanted the same service – and not only for Christmas, for all sorts of celebrations.

Suddenly Ingrid had more work than she could cope with. There was a real gap in the market – people were too busy to organize their own festivities! She decided to set up her own company, but instead of choosing a GmbH (Gesellschaft mit beschränkter Haftung), the German legal model, she chose to register her company in England as Celebrations Ltd.

Ingrid said, 'I decided to set up a limited company and not a GmbH because it's quick, simple and cheap.' The British title Ltd is also well-known internationally just in case Ingrid would like to expand her business in the future.

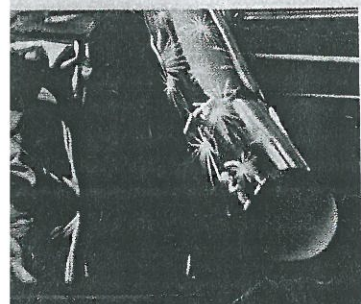
Ingrid is part of a growing trend of small business owners who choose Ltds. The main advantage is that the minimum equity required is one pound, compared with a minimum of £25,000 for a GmbH. A Ltd company can be registered within 24 hours whereas a GmbH

can take months and involve a lot of red tape. It is also much easier to change the company structure, such as having a new director. With a GmbH you would need to pay legal fees to change anything. Another advantage is that you don't have to do the paperwork yourself. You can pay a consultant a modest fee of £500 to register your company at Companies House, Britain's business registry office. Various documents are required, for example a Memorandum of Association which gives the details of the company. For a further £250 a year, your consultant will submit your annual accounts. Ingrid does all her business via the Internet and email. She has never been to her company's headquarters in Birmingham or met her consultant face-to-face.

Ltd companies have been growing in Germany since 2002 when the European Court of Justice allowed the use of business legal forms between countries in the European Union. There are now more than 30,000 German Ltds, these are mostly small retail or service companies like Ingrid's. One reason for this is that they are not risky and the owners' liability is only limited to the amount they invested. This means if the company runs into trouble and has debts, the owners don't lose everything.

Ingrid is not worried about going out of business; she now employs four people and works more than 12 hours a day. But, if anything happened to her company, she could start a new one within 24 hours.

the company runs
into trouble...
the owners
lose everything



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6.2 Vocabulary Types of companies

Discussion

1 With a partner, complete the quiz about companies.

Successful companies:

true false it depends

- 1 have to make big profits.
- 2 share profits with their employees.
- 3 continuously expand and diversify.
- 4 offer good quality products to consumers.
- 5 take over other companies.
- 6 have the biggest market share.
- 7 look after the environment and don't pollute it.
- 8 have mission statements.

Reading and vocabulary

2 Read and complete the company descriptions below using the words in the boxes.

1 _____

capital liability accountants share

This is for between two and 20 people, and very often it is a group of doctors or (1) _____ who set up this type of business. Each person has an equal (2) _____ in making decisions and in whatever profit is made. The more people you have, the more (3) _____ you can put into the business. However, you are legally responsible for the other people in the business, and you all have unlimited (4) _____. So if one of you makes a mistake, you all have to pay for it.

2 _____

investment agreement accounts shareholders

This type of company is owned by a small group of individuals, the (5) _____, who are very often the members of one family. You can only sell your shares if the owners are in (6) _____. You have limited liability so you only lose your (7) _____ if the company runs into trouble. You have a lot of paperwork to do as you have to publish your (8) _____ every year.

3 _____

capital fall shares Meeting shareholder

Anyone can buy (9) sh in this company. This is a good type of company if you need to raise (10) cap in order to to expand and diversify. You have limited liability but you can still lose money if there is a (11) fall in the price of your shares. You have little control in the running of the company unless you are a major (12) _____ or enough other shareholders vote the same as you at the Annual General (13) _____ of shareholders.

4 _____

debts trading profit boss