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Unit

1

Business Kaleidoscope

Teaching Objectives

By the end of this unit, students will

- ☐ Gain a basic knowledge about business
- ☐ Be familiar with the format of an English letter
- ☐ Use present simple tense
- ☐ Be able to express their ideas about online shopping



Suggested Teaching Schedule

Time Schedule	Class Content	Homework
Sections I-II	Lead-in Students discuss different business activities and differentiate between goods-producing and service-providing businesses. Reading Allow students a few minutes to go through the text and finish the comprehension tasks. Explain the key language points.	Extended Book reading
Section III	Vocabulary Students finish the vocabulary task and are offered more information about these key words.	Extended Book vocabulary, grammar

	Grammar Teacher explains the present simple tense with examples; students finish exercises. Translation Students finish the translation task.	and translation
Sections IV-VI	Writing Students discuss how to write a letter. Teacher provides more information and asks students to write a business letter according to the model. Listening Students finish the listening task. Communication Skills Students study the sentence patterns together. Speaking Students study the sample dialogue and practice it.	Extended Book oral practice



Background Information

1 The History of Business

One of the first people to describe business processes was Adam Smith in his famous (1776) example of a pin factory. Inspired by an article in Diderot's Encyclopedia, Smith described the production of a pin in the following way:

“One man draws out the wire, another straightens it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head. To make the head requires two or three distinct operations: to put it on is a particular business, to whiten the pins is another... and the important business of making a pin is, in this manner, divided into about eighteen distinct operations, which in some manufactories are all performed by distinct hands, though in others the same man will sometimes perform two or three of them.”

2 The Meaning of Business

A business is an organization that provides goods and services to others who want or need them. While many people think of business careers, they often think of jobs in large wealthy corporations. Many business-related careers, however, exist in small businesses, non-profit organizations, government agencies, and educational settings. Besides, a degree in business isn't needed for you to obtain many of these positions. In short, every sector of an economy needs people with strong overall skills that can be applied to business tasks.

3 Scope of Business

There are a wide variety of career areas that exist in business settings. Some of these include:

- Accounting
- Administrative management
- Business management
- Finance
- Human resources
- Information systems
- Insurance
- Marketing
- Operations management
- Public relations
- Purchasing / merchandising
- Retail management
- Sales, etc.

4 Business Resources

Resources are needed by businesses to produce goods and services. The four main groups of resources are land, labor, capital and enterprise.

1. Land

Land refers to natural resources, such as rivers, forests, minerals and oil. Land is needed to grow crops or build factories to produce goods to meet customers' needs and wants.

2. Labor

Labor refers to the efforts of the people involved in the production of goods and services. Farmers, receptionists, tour guides, chefs, bus drivers, engineers and teachers form part of the labor force.

3. Capital

Capital refers to buildings, equipment and machinery used to manufacture goods and services.

- Fixed capital — This includes machinery, factories, equipment, new technology, buildings, computers, and other goods that are designed to increase the productive potential of the economy for future years. Nowadays, many consider computer software to be a form of fixed capital and it is counted as such in the National Income and Product Accounts of the United States and other countries. This type of capital does not change due to the production of the goods.
- Working capital — This includes the stocks of finished and semi-finished goods that will be economically consumed in the near future or will be made into a finished consumer goods in the near future. These are often called inventories. The phrase “working capital” has also been used to refer to liquid assets (money) needed for immediate expenses linked to the production process (to pay salaries, invoices, taxes, interests ...) Either way, the amount or nature of this type of capital usually changes during the production process.
- Financial capital — This is simply the amount of money the initiator of the business has invested in it. “Financial capital” often refers to his or her net worth tied up in the business (assets minus liabilities) but the phrase often includes money borrowed from others.
- Human capital — Contemporary analysis distinguishes tangible, physical, or nonhuman

capital goods from other forms of capital such as human capital. Human capital is embodied in a human being and is acquired through education and training, whether formal or on the job. Human capital is important in modern economic theory. Education is a key element in explaining economic growth over time (see growth accounting).

- Intellectual capital — A more recent coinage is intellectual capital, used especially as to information technology, recorded music, or written material. This intellectual property is protected by copyrights, patents, and trademarks. This view posits a new Information Age, which changes the roles and nature of land, labor, and capital. During the Information Age (circa 1971–1991), the Knowledge Age (circa 1991 to 2002), and the Intangible Economy Age (2002–present), many see the primary factors of production as having become less concrete. These factors of production are now seen as knowledge, collaboration, process-engagement, and time quality.

4. Enterprise

Enterprise refers to the use of business resources to produce goods and services, and earn profits. An entrepreneur is a person who takes risks to start and run his own business. Some entrepreneurs own small businesses while others run large firms.

5. Entrepreneurship

Entrepreneurship is a factor of production. In markets, entrepreneurs combine the other factors of production, land, labor, and capital in order to make a profit. Often these entrepreneurs are seen as innovators, developing new ways to produce new products. In a planned economy, central planners decide how land, labor, and capital should be used to provide for maximum benefit for all citizens. Of course, just as with market entrepreneurs, the benefits may mostly accrue to the entrepreneurs themselves.

The word has been used in other ways. The sociologist C • Wright Mills refers to “new entrepreneurs” who work within and between corporate and government bureaucracies in new and different ways. Others (such as those practicing public choice theory) refer to “political entrepreneurs”, i.e., politicians and other actors.

Much controversy rages about the benefits produced by entrepreneurship. But the real issue is about how well they operate in serving the public. This concerns such issues as the relative importance of market failure and government failure.

5 Business Operations

Business operations are those ongoing recurring activities involved in the running of a business for the purpose of producing value for the stakeholders. They are contrasted with project management, and consist of business processes. The outcome of business operations is the harvesting of value from assets owned by a business. Assets can be either physical or intangible. An example of value derived from a physical asset like a building is rent. An example of value derived from an intangible asset like an idea is a royalty. The effort involved in “harvesting” this value is what constitutes business operations.

Business operations encompass three fundamental management imperatives that collectively aim to maximize value harvested from business assets (this has often been referred to as “sweating the assets”):

- Generate recurring income.
- Increase the value of the business assets.
- Secure the income and value of the business.

6 Objectives of Business

Businesses must achieve their objectives to remain in operation. Lists of business objectives generally include such factors as:

- Survival, growth & social responsibilities — Survival is an obvious objective and growth is another objective because business does not stand still. In recent years, meeting social responsibilities has been recognized as an important objective of business.
- Profit — The profit objective plays the major role in business. Successful business organizations earn a profit because their goods & services effectively meet customers’ needs & demands. Profit rewards a business enterprise.

7 Features of Business

There are different features of business from above description as follows:

- Sale or transfer of goods for value — One of the basic features of business is that it involves sale or transfer of goods & services for value.
- Dealing in goods & services — This implies dealing in goods & services like bread, cloth, watches, delivery, etc.
- Recurrence of dealings — Business involves recurring or repeated transactions of selling & purchasing.
- Profit motive — Profit motive is the biggest & most powerful stimulus for running a business. Business involves production & purchase of goods & services with the motive of selling them at a profit.
- Risk involved — Business is also risky. Profit depends upon the degree of risk involved. The business is rewarded in terms of profit for his / her risk bearing capacity.

8 Requisites of a Successful Business

Today, the business has become very competitive. It is said that, “Business has become a bed of thorns”. A businessperson has to give proper thought to this consideration in order to make his business a successful one. The important requisites for success in a modern business are listed as follows:

- A clear objective
- Planning
- Sound origination
- Market research capability

- Finance
- Proper plant location, layout & size
- Effective management
- Harmonious relations with the employees
- Risk taking capacity.

9 The Difference between Goods-Producing and Service-Producing Businesses

- Goods-producing business — DUNKIN DONUTS produces coffee and donuts. There is something tangible (that you can see, feel, touch, eat, or walk out of the store with it in your possession).
- Service-providing business — Certified Public Accountants produce a service by giving advice, and sometimes doing a person's taxes.
- Then there are combination businesses — An automaker produces cars and provides maintenance service.

10 The Nature of Competition

Businesses compete with one another to sell their goods and services to customers. There are two types of competition:

- Direct competition
The business sells the same or similar products as the competitor. Direct competition is common in businesses such as fast food restaurants and petrol companies. For example, Burger King is a direct competitor of McDonald's in the fast food business and Shell is a direct competitor of Caltex in the petrol business.
- Indirect competition
The business sells products that satisfy the same needs of customers as the competitor. However, the products fall under different categories. The video rental store is an indirect competitor of the cinema for customers who are movie lovers. For example, a video rental store is an indirect competitor of the Golden Village chain of cinemas.

It should also be noted that business and economic competition in most countries is often limited or restricted. Competition is often subject to legal restrictions. For example, competition may be legally prohibited, as in the case with a government monopoly or a government-granted monopoly. Tariffs, subsidies or other protectionist measures may also be instituted by government in order to prevent or reduce competition. Depending on the respective economic policy, pure competition is to a greater or lesser extent regulated by competition policy and competition law.

Competition between countries is quite subtle to detect, but is quite evident in the world economy. Countries compete to provide the best possible business environment for multinational corporations. Such competition is evident by the policies undertaken by these countries to educate the future workforce. For example, East Asian economies such as Singapore, Japan and South Korea tend to emphasize education by allocating a large portion of the budget to this sector, and by implementing programs such as gifted education.



Lecturing Hints

Section I Lead-in

1 Ask students to work in pairs and talk about business activities shown in the pictures.

Suggested answers:

- ① This picture shows a scene in a supermarket. As one of modern retail outlets, the supermarket plays an important role in the retailing business.
- ② This picture shows an assembly line in a car factory. Car-making is one of the most important sectors of the manufacturing business.
- ③ This picture shows that a hotel receptionist is receiving guests. Hotel reception is a vital part of hotel service.
- ④ This picture shows a cabin attendant providing drinks to passengers. Air transportation provides the service of transporting passengers and / or cargo using aircrafts, such as airplanes.
- ⑤ This picture shows a harvester gathering grain in the fields. Farming refers to grain growing, livestock raising and horticulture. Farming is a primary industry.
- ⑥ This picture shows a bank in operation. Banking is concerned with the business of providing financial services to consumers and businesses.
- ⑦ This picture shows a construction site. Building and construction refer to the process of adding a structure to real property. It is a secondary industry.
- ⑧ This picture shows a real estate agency. Real estate rental is concerned with renting or leasing real estate and providing related services.

2 Ask students to discuss in groups the differences between goods-producing and service-providing businesses and finish the classification task.

Suggested answers:

Goods-producing business

- | | |
|------------------------|--|
| bakery: | In a bakery, bread is baked for sale. |
| shoe factory: | A shoe factory makes boots and shoes. |
| oil plant: | An oil plant refines oil. |
| vegetable farm: | A vegetable farm produces vegetables, such as tomatoes, potatoes, carrots, eggplants, etc. |
| coal mine: | A coal mine is engaged in the extraction or removal of coal from the earth |

by mining.

Service-providing business

travel agency: A travel agency is a retail business that sells travel-related products and services to customers, on behalf of suppliers, such as airlines, car rentals, cruise lines, hotels, railways, sightseeing tours and package holidays that combine several products.

grocery shop: A grocery shop is primarily engaged in retailing food. A grocery shop stocks different kinds of food from assorted places and cultures, and sells them to customers.

bank: A bank provides a wide range of services to customers to meet their financial needs. These services include accepting deposits, making loans and payment services.

hotel: A hotel provides a wide range of services, such as accommodation service, food and beverage service.

movie theater: A movie theater is a venue, usually a building, for viewing movies. Most movie theaters are commercial operations catering to the general public, who attend by purchasing a ticket.

hospital: A hospital is an institution for health care, providing patients treatment by specialized staff and equipments, and often but not always providing for longer-term patient stays.

public transport: Public transport (also public transportation) comprises passenger transportation services which are available for use by the general public, as opposed to modes for private use, such as automobiles or vehicles for hire.

3 Students work in pairs and discuss what type of business the following companies are engaged in.

Suggested answers:

- ① Wal-Mart Stores Inc. (branded as Walmart) is an American public corporation that is engaged in the retailing business. It runs a chain of large, discount department stores. It is the world's largest public corporation by revenue, according to the 2008 Fortune Global 500.
- ② McDonald's Corporation is the world's largest chain of hamburger fast food restaurants.
- ③ Lenovo Group Limited is a multinational technology corporation that develops, manufactures and markets desktop and laptop personal computers, workstations, servers, storage drives, IT management software and related services.
- ④ Air China is the only airline company which carries the national flag. Air China takes the responsibility of special plane task for Chinese national leaders visiting abroad, and foreign leaders and governmental leaders visiting China, which demonstrates the exclusive status as

the national flag carrier. It became a member of Star Alliance in December 2007 and it leads domestic counterparts in passenger and freight air transport and related services.

- ⑤ Chery Automobile is an automobile manufacturer. It is the largest independent Chinese auto manufacturer and one of the fastest growing automakers in the world.
- ⑥ Holiday Inn is a brand of hotels within the Inter-Continental Hotels Group.

4 Ask students to work in groups and list twelve businesses producing goods or providing services. Ask one student to report his / her group's list.

Suggested answers:

- ① Buick Motor Company: an automobile manufacturer situated in Detroit, Michigan, USA.
- ② Canon Inc.: a multinational corporation that specializes in the manufacture of imaging and optical products, including cameras, photocopiers and computer printers. Its headquarters are located in Tokyo, Japan.
- ③ Nokia Corporate: a Finnish multinational communications corporation engaged in the manufacturing of mobile devices.
- ④ Haier Group: Haier is the leading brand of white goods globally and the most valuable brand in China. In 2009, the brand value of Haier amounted to RMB 80.3 billion. Since 2002, Haier has topped the Most Valuable Brand list for seven consecutive years. Nineteen products of Haier, including refrigerator, air conditioner, washing machine, television, water heater, computer, mobile phone and home appliances integration, have been awarded as Chinese Famous Brand products.
- ⑤ Boeing: Boeing is the world's leading aerospace company and the largest manufacturer of commercial jetliners and military aircraft combined.
- ⑥ Dell Inc.: the world's largest mail-order computer vendor. Dell computer has built a reputation for delivering quality PCs at competitive prices.
- ⑦ Bank of China: one of the four largest state-owned commercial banks of China.
- ⑧ China Life Insurance Co. Ltd.: China Life Insurance (Group) Company and its subsidiaries (hereinafter referred to as China Life) constitute the largest commercial insurance group in the mainland of China. It is the only domestic insurance group with an asset exceeding one trillion RMB yuan. It is also one of the largest institutional investors in China's capital market.
- ⑨ China International Travel Service: China's largest and most influential tourist enterprise group, providing various kinds of travel service.
- ⑩ New Oriental Education & Technology Group: a large-scale comprehensive education and technology group, including education and training, education R&D, books, audio and video publishing, overseas education services, vocational education, online education, and the research and development of educational software.
- ⑪ Warner Bros. Entertainment Inc.: a producer of movie and television entertainment.
- ⑫ Sheraton Hotels and Resorts: Starwood Hotels & Resorts' largest and second oldest brand.

Section II Reading

- 1 Give students ten minutes to go through the whole text and ask them to finish the comprehensive task. Teacher circulates and makes sure students do not turn to any dictionaries during their reading.

Suggested answers:

Exercise 2

1. The word “business” is used to describe both an economic process and an enterprise engaged in economic activity.
2. When we talk of “doing business”, the word “business” means the purchase and sale of goods or services in an attempt to make a profit.
3. The factors of production include capital, enterprise, land and labor.
4. A retail business might buy products from a wholesaler which in turn acquires them from a manufacturer. At each stage of this process, value is added and money exchanged. The retailer in turn sells these products to customers who may be individuals or firms.
5. A business means any organization concerned with the exchange of economic values; non-profit organizations and charities can be regarded as businesses.

Exercise 3

1. T 2. T 3. T 4. F 5. F

- 2 Teacher analyzes the text and explains difficult sentences and key words.

1. In fact, in modern society we are heavily **dependent upon** organized business activity. 事实上, 在现代社会, 我们十分依赖有组织的商业活动。
dependent upon / on: affected or decided by something
e.g.: They will be increasingly dependent on the support of the French.
2. We are **engaged in** business activities every time we **exchange** our labor **for wages** and every time we use our wages to buy goods and services. 每当我们用劳动换取工资, 并用工资来购买商品和服务时, 我们就是在从事商业活动。
engage (sb) in sth: (cause sb to) take part in or be occupied in sth
e.g.: I have no time to engage in gossip.
exchange A for B: give or receive sth / sb in place of another
e.g.: He exchanged the blue sweater for a black one.
wage (usu pl.): regular (usu. weekly) payment made or received for work or services
e.g.: Wages are paid on Fridays.
3. ... we make decisions **that** help determine the kinds of goods and services **which** business will

provide. ... 我们所做的（购物）决定能促成企业决定提供何种产品和服务。

That here is a relative pronoun, which introduces an attributive clause to modify *decisions*. **Which** here is also a relative pronoun, and introduces a restrictive attributive clause.

e.g.: We deliver solutions that help our customers solve IT problems which they have in using our products.

4. Although the subject of business may sound **complicated**, it is really an everyday part of our lives. 虽然商务这个主题可能听起来复杂，但是它确实是我们日常生活的一部分。

complicated: difficult to understand or explain

e.g.: The situation is too complicated for the little girl to understand.

5. Most of us have an idea of what a business is: in reality, however, the issue is **by no means** clear. 我们中的大多数人都对商务有自己的理解，然而事实上，这个问题绝非一清二楚。

by no means: not at all

e.g.: It is by no means easy to satisfy everyone.

By no means was he able to handle it.

Related phrase:

by all means: used to say that you are very willing for sb to have sth or do sth

6. It is used to describe **both** an economic process **and** an enterprise engaged in economic activity. 这个词既用来描述经济过程，也用来描述从事经济活动的企业。

both ... and ...: not only... but also...

e.g.: She speaks both English and French.

7. **In economic terms**, “business” applies to the process of creating and exchanging economic values ... 在经济学中，“商务”这个术语可用于经济价值的创造和交换过程...

in economic terms: using the technical expressions in economy

term: a word or phrase used as the name or symbol of sth

e.g.: scientific / legal terms

8. ... “business” ... has been defined as “the purchase and sale of goods or services **in an attempt to** make a profit”. 商务...已经被定义为“以营利为目的的来购买和销售商品和服务”。

in an attempt to: trying to, aiming to; in an effort to

e.g.: Some things are collected deliberately in the home **in an attempt to** avoid waste.

9. ... a retail business might buy products from a **wholesaler** which in turn acquires them from a **manufacturer**. ... 零售商可以从批发商那里购买产品，而批发商又从生产商那里采购产品。

wholesaler: a person or firm that sells goods (esp in large quantities) to shopkeepers for resale to the public.

e.g.: His father is a fruit wholesaler who does his business quite well.

manufacturer: a person or firm that makes goods on a large scale using machinery

e.g.: If goods are not well made, you should complain to the manufacturer.

10. The word also **refers to** the enterprises or organizations that are engaged in profit making. 这个词还指营利性的企业和机构。

refer to: concern sb / sth; denote sb / sth

e.g.: What does this term refer to?

11. Expressed more formally, business in this sense is the institutional frame-work that enables the “factors of production”, **namely**, capital, enterprise, land and labor, to be combined to produce goods and services. 更为正式的说法是，商务在这个意义上是一个体制架构，使得“生产要素”，即资本、企业、土地和劳动力能够结合起来生产产品和服务。

namely: that is to say; specifically

e.g.: Only one boy was absent, namely, Harry.

12. ... we **tend to** relate “business” to the profit making activity of private enterprises ... 我们往往把商务和私营企业的营利性活动联系起来...

tend to: be easy to; incline to

e.g.: Businesses tend to increase sales by reducing the price.

13. They will therefore carefully control their expenditure, and their activity in the market place will influence the price at which goods and services are sold. 他们会因此谨慎地控制他们的开支，而且他们在市场上的活动将会影响产品和服务的销售价格。

at a price of: come to deal in what the price is

e.g.: He bought an apartment at a price of 2 000 dollars per sq m.

14. They are often **broken down** into three types. 通常它们可以分为三种。

break down: be divided or divided into parts by analysis

e.g.: Expenditure on the project breaks down as follows: wages 10 000 000 dollars, plant 4 000 000 dollars, and raw materials 5 000 000 dollars.

15. Primary industries are concerned with **taking out** raw materials from the ground or using natural resources. 第一产业从事的是从土地获取原材料或者利用自然资源。

take out: take from a place where sth is kept.

e.g.: The students took out their textbooks and started reading.

3 Ask students to summarize the text.

Section III Language Focus

Vocabulary

- 1 Tell students to match the words from the text with their corresponding definitions. Teacher can circulate in the classroom monitoring how students are doing their work. Explain difficult words such as *enterprise*.

Suggested answers:

1. f 2. c 3. e 4. a 5. b 6. d

- 2** Get students to work in pairs and finish Exercise 2. Explain difficult words such as *minimization*.

Suggested answers:

NOUNS	VERBS
1. organization	organize
2. sale	sell
3. decision	decide
4. manufacturer	manufacture
5. production	produce
product	
6. minimization	minimize
7. farmer	farm
8. construction	construct
9. transportation	transport
10. consumer	consume

- 3** Ask students to finish Exercise 3 orally. One student for one blank.

Suggested answers:

- | | | |
|----------------------------|-------------------|----------------|
| 1. are dependent on | 2. are engaged in | 3. complicated |
| 4. in reality, by no means | 5. acquires | 6. expenditure |

- 4** Tell students to finish Exercise 4 and ask eight students to tell the class their answers. One student for one blank.

Suggested answers:

- | | | | |
|-------------|--------------|--------------|------------------|
| 1. produce | 2. customers | 3. consumers | 4. goods |
| 5. services | 6. products | 7. selling | 8. manufacturers |

Grammar

- 1** Complete the List of Present Simple Forms

1. USE 1: Repeated Actions

Use the Present Simple Tense to express the idea that an action is repeated or usual. The action

can be a habit, a hobby, a daily event, a scheduled event or something that often happens. It can also be something a person often forgets or usually does not do.

Examples:

- I **play** tennis.
- She **does not play** tennis.
- **Does** he **play** tennis?
- The train **leaves** every morning at 8 am.
- The train **does not leave** at 9 am.
- When **does** the train usually **leave**?
- She always **forgets** her purse.
- He never **forgets** his wallet.
- Every twelve months, the Earth **circles** the Sun.
- **Does** the Sun **circle** the Earth?

2. USE 2: Facts or Generalizations

The Present Simple Tense can also indicate the speaker believes that a fact was true before, is true now, and will be true in the future. It is not important if the speaker is correct about the fact. It is also used to make generalizations about people or things.

Examples:

- Cats **like** milk.
- Birds **do not like** milk.
- **Do** pigs **like** milk?
- California **is** in America.
- California **is not** in the United Kingdom.
- Windows **are** made of glass.
- Windows **are not** made of wood.
- New York **is** a large city.

3. USE 3: Scheduled Events in the Near Future

Speakers occasionally use the Present Simple Tense to talk about scheduled events in the near future. This is most commonly done when talking about public transportation, but it can be used with other scheduled events as well.

Examples:

- The train **leaves** tonight at 6 pm.
- The bus **does not arrive** at 11 am, it **arrives** at 11 pm.
- When **do** we **board** the plane?
- The party **starts** at 8 o'clock.
- When **does** class **begin** tomorrow?

4. USE 4: Now (Non-Continuous Verbs)

Speakers sometimes use the Present Simple Tense to express the idea that an action is happening or is not happening now. This can only be done with *Non-Continuous Verbs* and certain *Mixed Verbs*.

Examples:

- I **am** here now.
- She **is not** here now.
- He **needs** help right now.
- He **does not need** help now.
- He **has** his passport in his hand.
- **Do** you **have** your passport with you?

2 Present Simple Tense vs Present Continuous Tense

It can be difficult to choose when to use the present simple tense and the present continuous tense in English. Both, of course, talk about the present. But they are used in different situations.

First, we use the present simple to talk about permanent or long-term situations in our lives, such as our usual job, or where we live. We don't feel these situations will change very soon. On the other hand, we use the present continuous to talk about temporary situations, such as when we are on holiday, or doing a job just for a few weeks or months. We know that these situations will end soon.

For example:

- I **work** as a teacher. (present simple)
- I **live** in Mumbai. (present simple)
- He **studies** Engineering. (present simple)

vs.

- I **am working** in a bar for the summer. (present continuous)
- I **am living** in Madrid for a few months. (present continuous)
- She **is studying** French this term. (present continuous)

Second, we use the present continuous to talk about a temporary action which is happening now. It's often when we tell someone what we are doing at the moment we are speaking. For example, you are reading this article now. This is in contrast to the present simple, which we use to talk about what usually happens, or what we usually do. This describes our habits or daily routine.

For example:

- I **eat** toast for breakfast every day. (present simple)
- I **take** a shower every morning. (present simple)
- He **often** goes to the cinema. (present simple)

vs.

- I **am eating** toast now. (present continuous)
- I'**m taking** a shower at the moment. (present continuous)
- He'**s going** to the cinema now. (present continuous)

Third, we use the present simple and the present continuous to talk about the future. We use the present simple to talk about future timetables (for trains or planes for example, or for classes or the cinema or theater). On the other hand, we use the present continuous to describe definite future arrangements. A definite arrangement is when we are 90% sure it will happen. If I say "I'm going to

the cinema tonight”, then probably I have already booked the tickets, or at least decided on a film, checked the time it starts, and called the friend I am going with.

When we use the present tense to talk about the future, we generally put in a future time word to help make the sentence clearer (like “tomorrow”, “at 3 pm today” or “next week”)

For example:

- The train **leaves** at 8 pm tomorrow. (present simple)
- The movie **starts** very late. (present simple)
- My Chinese class **finishes** at 3 pm. (present simple)

vs.

- I**'m meeting** my friends later. (present continuous)
- She**'s working** tomorrow. (present continuous)
- What **are you doing** tonight? (present continuous)

3 Explain the present tense, provide some examples to demonstrate it and ask some students to give their own examples.

The present simple tense is used to talk about actions we see as long term or permanent. It is very common and very important.

1. To talk about regular actions or events

- e.g. He doesn't come very often.
Jimmy works very hard.
He travels a lot.

2. To talk about sth in the future, usually found in a timetable or charts

- e.g. The plane leaves tonight at 6 pm.
When do we board the plane?
The party starts at 8 o'clock.
When does class begin tomorrow?

3. To talk about facts

- e.g. Beijing lies to the north of Tianjin.
Windows are made of glass.
He is rich. He has many responsibilities.

4. To talk about thoughts and feelings

- e.g. I don't agree with you.
He doesn't want to do that.
Do you understand what he is trying to say?

4 Ask students to work in pairs and finish the exercise on Page 8 in the course book.

Suggested answers:

1-c d 2-a 3-e 4-b

5 Tell students to work on Exercise 5. Go through the exercise with the whole class, explaining any difficulties.

Suggested answers:

1. gets up 2. has 3. leaves 4. goes 5. gets 6. arrive 7. check
8. get 9. have 10. has 11. is not 12. meets 13. writes 14. finishes
15. gets 16. has 17. helps 18. watches

Translation

Tell students to work on Exercise 6. Go through the exercise with the whole class, explaining any difficulties.

1. Business refers to the activities of producing, purchasing and selling goods and services.
2. This company is mainly engaged in car selling.
3. Are all businesses only interested in making a profit?
4. Their products can not meet the needs of consumers efficiently.
5. The main business of this department is concerned with after-sale services.

Section IV Business Writing

Business Letters

1 Ask students to read the letter and discuss the contents of a business letter.

2 Provide information on how to write a business letter.

Suggested answers:

Exercise 1

Letterhead: Lincoln House, 146 Dean Street, Westbury-on-Thames,
London W1D 3HB
Tel:672534×× Fax:672835××
Date: 14th June, 2009
Inside address: Ms Ling Peng
The Secretary
Modern Homes Exhibition
Exhibition Center
Manchester, MC1 3BE
Salutation: Dear Ms Ling Peng
Reference: Prospectus
Body: (Omitted)
Complimentary closing: Yours sincerely
Signature: Richard Johnson

Exercise 2

Dear Mr. Richard Johnson,
We thank you for your inquiry about next year's Modern Homes Exhibition.
We are pleased to send you a copy of the prospectus with this letter. If you need any additional information, just let us know. We will be happy to help you in any way we can.
We look forward to the pleasure of doing business with you.

Truly yours,
Ling Peng

Tips on writing business letters:

Every business requires communication which extends the exchange of information, products and partnerships. Proper communication is the means of a good business. In fact communication only brings good clients, customers and a reputation to the business. The kind of words that are used in presentations, business letters, business reports and in all business documentation is very important by the fact that it reflects the business community and business etiquette.

Writing business letters perfectly is an art in its own priority. A professional business letter will definitely bring good and positive responses for the business whereas an uncommon letter may not yield expected results and at times, businesses will cause to lose customers. Therefore, the writing of letters in business language is very important and will impress customers and investors.

For instance, if a customer placed an order for laptops, the company should accept and address

the letter with “we thank you for your order and we confirm the dispatch of the laptops”, which means thanking the client is very important because the customer will be very pleased to read such lines in a business letter. In the case of writing letters requesting payment, the content of the letter should be quite explanatory, indicating the need for payment. Use of harsh or rude language will cause further harm and damages the relation between the company and clients. Therefore, while writing such letters, the content should be brief and to the point, using such expressions as “we bring your kind attention to the payment pending from your end” because we can never assess the reason why payment has been held up whether by oversight or due to lack of funds. Therefore, the letter must be polite and professional.

Similarly, business communication through emails should also be very clear and communicative, encouraging customers to contact the company for purchasing various products. Communication through emails should be professional and friendly to enable the customers to understand the business and its products.

Section V Listening & Speaking

Listening

Ask students to listen to the dialogue and to finish Exercise 3.

Suggested answers:

Exercise 1

1. Going for a picnic in the countryside and having an evening party.
2. No, they don't. They will probably go to ask for their head teacher's opinion.
- 3.

	Plans for the Weekend		Reason(s)
	Going for a picnic	Having an evening party	
Laura	For	Against	the same with Michael
Micheal	For	Against	Many students think they have had too many parties
Emily	Against	For	It costs a lot of money and it is not safe
Eric	Against	Unknown	the same with Emily

Script — listening

Eric: Hello, boys and girls. May I have your attention, please? Now I'd like you to speak out your opinions on what we can do on the following weekend.

Laura: Well, in my opinion, shall we go for a picnic in the countryside?

Michael: Yes. That sounds a good idea. That's just what I was thinking of.
Emily: I'm sorry to disagree with you, but I don't think it's practical.
Laura: Why don't you agree with me?
Emily: As we know, it costs a lot of money to go out for a picnic. On the other hand, it is not safe.
Eric: Well. I quite agree with you about that. Then what's your opinion?
Emily: I insist on our having an evening party, since it will be easier for us to do.
Michael: I don't think so. Many students think that we have had too many parties in the classroom.
Can't we make a change?
Laura: That's reasonable. It is my own view exactly.
Eric: OK. Since we can't come to an agreement on this matter, I will go to ask for our head teacher's opinion.
Laura: I'm with you there. That's a good idea.
Michael: Me too.
Emily: It's the same with me.

Speaking

Ask students to study the sample dialogue and do Exercise 3 about expressing opinions.

Section VI Business Etiquette

Ask students to study these rules one by one and to search more over the Internet after class. Their searching results will be graded as a part of their daily performance.



Resource Data

1 Online Shopping

Online shopping is the process that the consumers go through to purchase products or services over the Internet. An online shop, e-shop, e-store, internet shop, web-shop, web-store, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in a shopping mall.

1. Customers of Online Shopping

In general, shopping has always catered to middle class and upper class women. Shopping is fragmented and pyramid-shaped. At the pinnacle are elegant boutiques for the affluent, and a huge belt of inelegant but ruthlessly efficient “discounters” that flog plenty at the pyramid's precarious middle. According to the analysis

of Susan D. Davis, at its base are the world's workers and the poor, on whose cheapened labor the rest of the pyramid depends for its incredible abundance. Shopping has evolved from single stores to large malls containing many stores that most often offer attentive service, store credit, delivery, and acceptance of returns. These new additions to shopping have encouraged and targeted middle class women.

In recent years, online shopping has become popular; however, it still caters to the middle and upper class. In order to shop online, one must be able to have access to a computer, a bank account and a debit card. Shopping has evolved with the growth of technology. According to research found in the Journal of Electronic Commerce, if we focus on the demographic characteristics of the in-home shopper, in general, the higher the level of education, income, and occupation of the head of the household, the more favorable the perception of non-store shopping. An influential factor in consumer attitude towards non-store shopping is exposure to technology, since it has been demonstrated that increased exposure to technology increases the probability of developing favorable attitudes towards new shopping channels.

Online shopping widened the target audience to men and women of the middle class. At first, main users of online shopping were young men with a high level of income and a university education. This profile is changing. For example, in the USA in the early years of the Internet there were very few women users, but by 2001 women were 52.8% of the online population. Socio-cultural pressure has made men generally more independent in their purchase decisions, while women place greater value on personal contact and social relations.

2. Benefits of Online Shopping

• Convenience

Online stores are usually available 24 hours a day, and many consumers have Internet access both at work and at home. A visit to a conventional retail store requires travel and must take place during business hours.

Searching or browsing an online catalog can be faster than browsing the aisles of a physical store. Consumers with dial-up Internet connections rather than broadband have much longer load times for content-rich web sites and have a considerably slower online shopping experience.

Some consumers prefer interacting with people rather than computers (and vice versa), sometimes because they find computers hard to use. Not all online retailers have succeeded in making their sites easy to use or reliable.

In the event of a problem with the item — it is not what the consumer ordered, or it is not what they expected — consumers are concerned with the ease with which they can return an item for the correct one or for a refund. Consumers may need to contact the retailer, visit the post office and pay return shipping, and then wait for a replacement or refund. Some online companies have more generous return policies to compensate for the traditional advantage of physical stores. For example, the online shoe retailer Zappos.com includes labels for free return shipping, and does not charge a restocking fee, even for returns which are not the result of merchant error.

• Information and Reviews

Online stores must describe products for sale with text, photos, and multimedia files, whereas in a physical retail store, the actual product and the manufacturer's packaging will be available for direct inspection (which might involve a test drive, fitting, or other experimentation).

Some online stores provide or link to supplemental product information, such as instructions, safety procedures, demonstrations, or manufacturer specifications. Some provide background information, advice, or how-to guides designed to help consumers decide which product to buy.

Some stores even allow customers to comment or rate their items. There are also dedicated review sites that host user reviews for different products.

In a conventional retail store, clerks are generally available to answer questions. Some online stores have real-time chat features, but most rely on email or phone calls to handle customer questions.

- **Price and Selection**

One advantage of shopping online is being able to quickly seek out deals for items or services with many different vendors (though some local search engines do exist to help consumers locate products for sale in nearby stores). Search engines and online price comparison services can be used to look up sellers of a particular product or service.

Shoppers find a greater selection online in certain market segments (for example, computers and consumer electronics) and in some cases lower prices. This is due to a relaxation of certain constraints, such as the size of a “brick-and-mortar” store, lower stocking costs (or none, if drop shipping is used), and lower staffing overhead.

Shipping costs (if applicable) reduce the price advantage of online merchandise, though depending on the jurisdiction, a lack of sales tax may compensate for this.

Shipping a small number of items, especially from another country, is much more expensive than making the larger shipments bricks-and-mortar retailers order. Some retailers (especially those selling small, high-value items like electronics) offer free shipping on sufficiently large orders.

2 Business Etiquette

Business etiquette is a set of manners accepted or required in a profession. Knowing something about business etiquette can have a positive impact on your career. The etiquette of business is the set of written and unwritten rules of conduct that make social interactions run more smoothly. Office etiquette in particular applies to coworker interaction, excluding interactions with external contacts such as customers and suppliers. Both office and business etiquette overlap considerably with the basic tenets of netiquette. These rules are often echoed throughout an industry or economy. For instance, 49% of employers surveyed in 2005 by the American National Association of Colleges and Employers found that non-traditional attire would be a “strong influence” on their opinion of a potential job candidate.

Appropriate business etiquette is expected of everyone, especially at corporate events. However, few are trained in the art of good manners. That means most people learn meeting etiquette and how to conduct themselves at business events “on the job.”

Of course, not everyone is completely at ease with knowing whether they are conveying proper business etiquette to corporate hosts, colleagues and other guests.

Keep in mind, the purpose of etiquette is to create an environment that allows everyone to feel comfortable. The following Q & A provides some business etiquette tips for meeting environments.

1. When should you respond to an RSVP?

Event invitations will provide most of the important information of an event, including details

about the host, type of event, purpose (even as much as a brief agenda), location, time, specific instructions, and — of course — the RSVP.

Events today rely on a variety of RSVP options, including email, phone, mail in cards, and more. It is important for guests to respond quickly when they receive an invitation, and it's best to respond within a week. If you must decline at the last minute, please notify the host prior to the event or first thing the next day with sincere regrets.

2. What should you wear to an event?

Hosts and guests err on the side of conservative sensibility: dress well and in good taste (everything should always be pressed). Most event invitations will provide directions:

- Business attire (suits and dresses)
- Black tie / black tie optional (more formal evening wear)
- Business casual (trousers / khakis with long sleeve shirts)
- Jackets and ties required (as instructed)

Some events and venues may advise other casual wear, such as golf, tennis, horse racing, resorts, etc. Organizers will be specific about attire requirements.

3. When should you arrive for an event?

The event host spends significant time and resources to plan and execute an event, so most people know the answer to this question: be on time! If you are a representative of the host, the answer is that you should arrive up to 30 minutes early (you will be given a time, show up when requested).

If you are a guest, understand that the organizer has been selective with the invitation list. Many invitations will include a brief agenda that highlights when guests may arrive for the event, typically providing a window of 15 to 30 minutes for registration and welcome reception times.

Also, it's important to stay as long as possible or to the conclusion of an event.

4. When should you extend a handshake at an event?

It is always done upon arrival and departure. This is an easy rule that few people violate. Greet everyone with a firm, sincere handshake, a friendly smile and direct eye contact. However, when approaching a group of individuals, it's important to note that guests should always shake the hand of the host first.

Of course, there are scenarios when handshake greetings aren't possible, such as when both hands are full. In those situations, either party may nod and use some sort of other body gesture to convey the greeting.

5. How should you introduce people in a group at an event?

Most people will find themselves at some point introducing various individuals at an event, especially when they are the ones who will be expected to know all parties. But what's the order of introductions? Simply remember two rules:

- Introduce lower ranking individuals to higher ranking individuals.
- Remember to include titles (e.g. Dr., Judge, etc.) and name prefix (e.g. Mr., Mrs. Ms.).

6. What should you talk about at the event?

It's important to have strong listening (don't interrupt) and conversation skills in group situations.

This means maintaining open body language (stand up or sit up straight, don't cross arms, and maintain good eye contact) and showing interest in what others have to say.

Contribute to conversations by being able to speak to a variety of subjects, find topics of mutual interest and avoid correcting what others have to say. Make sure to involve everyone in the group in the discussion (and not just one or two). Encourage people to talk about themselves, and be graceful when providing and / or accepting compliments.

It's unfortunate to add the following, but necessary for some: avoid the use of foul language and slang in conversations.

7. What shouldn't you talk about at the event?

Just as it's important to understand what to talk about, there are several topics that should generally be avoided:

- Personal finance topics
- Personal health topics (yours and others)
- Divisive topics
- Gossip

8. When should you extend extra courtesy (deference) to others at an event?

It may sound old fashioned, but it's very important to let people know that you hold them in high esteem. And the act will usually not go unnoticed by the recipient. Several examples (but certainly not an all inclusive list) of when deference is important at an event:

- Follow the lead of others (e.g. host) to know when / where to sit.
- Hold doors for others.
- Don't assume empty seats are available.
- Allow others to take the better seat.
- Wait to speak until others acknowledge you.
- Wait for the host before taking a first drink.
- Wait to eat until after everyone is served and the host has begun.

9. What other business etiquette rules should be kept in mind?

- Never drink more than two alcoholic drinks.
- Allow the event host to make the first toast.
- Notify hosts of any dietary restrictions prior to an event.
- Understand how to use flatware.
- Glassware is placed to the right.
- Bread plates will be placed to the left.
- Place the fork and knife in the 4:00 position when finished.
- Place napkins on the chair seat or arm when briefly stepping away.
- Research the event topic and venue before arriving.
- Thank the host in person prior to leaving.
- Send a "thank you" note to the host within a week.

Unit

2

Business Enterprise

Teaching Objectives

By the end of this unit, students will

- ☐ Gain a basic knowledge about business enterprises
- ☐ Be able to write a company profile
- ☐ Use the past simple tense
- ☐ Be able to give an oral presentation of a company



Suggested Teaching Schedule

Time Schedule	Class Content	Homework
Sections I-II	Lead-in Students discuss and understand the basic background knowledge of business enterprises. Reading Allow students a few minutes to go through the text and finish the comprehension tasks. Explain some key language points.	Extended Book reading
Section III	Vocabulary Students finish the vocabulary task and are offered more information about these key words.	Extended Book vocabulary, grammar

	<p>Grammar Teacher explains the past simple tense with examples; students finish exercises.</p> <p>Translation Students finish the translation task.</p>	and translation
Sections IV-VI	<p>Writing Students discuss how to write a company profile. Teacher provides more information and asks students to write a company profile according to the Chinese information given.</p> <p>Listening Students finish the listening task.</p> <p>Communication Skills Students study the sentence patterns together.</p> <p>Speaking Students study the sample dialogue and practice it.</p>	Extended Book oral practice



Background Information

1 Overview of Business Organizations

The law of business organizations originally derived from the common law of England, but has evolved significantly in the 20th Century. In common law countries today, the most commonly addressed forms are:

- The sole proprietorship.
- The partnership, sometimes called a “general partnership”.
- The limited partnership (LP).
- The limited liability partnership (LLP).
- The corporation (Inc, Co, Corp).
- The limited liability company (LLC, Ltd.).

Less commonly used business forms include the limited liability limited partnership (LLLP), the Series LLC, and the limited company (LC). The proprietary limited company is a statutory business form unique to Australia.

Other types of business organizations, such as cooperatives, credit unions and publicly owned enterprises, can be established with purposes that parallel, supersede, or even replace the profit maximization mandate of business corporations.

Other business forms are available in civil law countries, such as the German Gesellschaft mit beschränkter Haftung (GmbH) and Aktiengesellschaft (AG); and the S.A., a form used in a number

of countries which translates from various languages into the equivalent of anonymous society or anonymous company.

Civil law or continental law is the predominant system of law in the world, with its origins in Roman law, and sets out a comprehensive system of rules.

2 What are the advantages and disadvantages of Sole Proprietorship, Partnership and Corporation?

Sole Proprietorship	A Sole Proprietorship consists of one individual doing business.
Advantages: <ol style="list-style-type: none"> 1. Low start-up costs 2. Ownership of all profits 3. Decisions are made only by the owner 4. Simple process to start-just get a business license 5. Pride of ownership 6. Lower taxes 	Disadvantages: <ol style="list-style-type: none"> 1. Unlimited liability (personal assets are at risk) 2. Limited commercial life (when the owner quits / can't work, the business ends) 3. Difficult to raise capital for business 4. Risk of loss is not shared
Partnership	A Partnership is made up of two or more individuals doing business together.
Advantages: <ol style="list-style-type: none"> 1. Access to greater amounts of capital (not as difficult to raise capital for business) 2. Possible synergism (combination of knowledge and skills) 3. Easy to start (should have all the agreements spelled out ahead of time) 4. Not many regulations 	Disadvantages: <ol style="list-style-type: none"> 1. Same as with sole proprietorships (unlimited liability; limited life of business) 2. Partnership disputes and disagreements (shared leadership) 3. Profits are shared
Corporation	A Corporation is a legal entity doing business. It is made up of many owners and is organized under articles of incorporation.
Advantages: <ol style="list-style-type: none"> 1. Limited liability 2. Unlimited commercial life 3. Easy to raise capital (stocks, loans) 4. Hire specialized skills and knowledge 5. Shared risks 	Disadvantages: <ol style="list-style-type: none"> 1. Higher organization cost 2. Restrictions on company 3. Difficult to start 4. Less direct control 5. Double taxation: corporate tax and individual tax 6. Limited activity

3 Types of Business Ownership in the USA

<p>Proprietorship — business owned and operated by one person 74% of all USA businesses; Accounts for 6% of all sales in the USA</p>
<p>Partnership — business owned and operated by two or more people 8% of all USA businesses; Accounts for 4% of all sales in the USA</p>
<p>Corporation — business owned by stockholders / investors but operated by officers 18% of all USA businesses; Accounts for 90% of all sales in the USA</p>
<p>Multi-nation corporations (international or global businesses) are businesses that sell or produce products in more than one country.</p>
<p>Non-profit Organizations (not-for-profit) are institutions that try to cover their operating costs. They usually offer a service that is considered beneficial to society. (The Red Cross, religious institutions, schools, food banks, etc.)</p>
<p>Franchises — individual business people buy a business, but a certain percentage goes back to the corporation. Franchises must adhere to the corporate regulations. (McDonalds, Krispy Cream, Starbucks)</p>

4 Differences between a corporation and a cooperative

Often referred to as a “co-op business” or “co-op”, a cooperative is a for-profit, limited liability entity that differs from a corporation in that it has members, as opposed to shareholders, who share decision-making authority. Cooperatives are typically classified as either consumer cooperatives or worker cooperatives. Cooperatives are fundamental to the ideology of an economic democracy.

5 Differences between Corporations and LLCs (limited liability companies)

Like corporations, LLCs provide limited personal liability for business debts and claims. But when it comes to taxes, LLCs are more like partnerships: the owners of an LLC pay taxes on their shares of the business income on their personal tax returns.

Corporations and LLCs make sense for business owners who either run a risk of being sued by customers or of piling up a lot of business debts, or have substantial personal assets they want to protect from business creditors.

6 What does a CEO do?

A CEO's first duty is setting strategy. Strategy tells the company what business they're in and how they plan to make money doing it.

The CEO's next duty: building the senior team. All the executives report to the CEO, so it's the CEO's job to hire, fire, and manage the executives.

The CEO's third duty is setting the culture of a company. Some CEOs encourage people to work together, treat each other with respect, and make the company a nice place to work. Other CEOs encourage competition, back-stabbing, and playing favorites. It's not always a conscious decision, though. CEOs set culture by being role models.

A CEO's final duty is writing the checks and "spending money." Since the CEO signs the checks, they choose the projects that live and die. This is also why they can't delegate strategy, because the projects that get money are the ones that determine the strategy.

7 What is an organization chart?

An organizational chart of a company usually shows the managers and sub-workers who make up an organization. It also shows the relationships between the organization's staff members which can be one of the following:

Line — direct relationship between superior and subordinates

Lateral — relationship between different departments on the same hierarchical level

Staff — relationship between a managerial assistant and other areas. The assistant will be able to offer advice to a line manager. However, they have no authority over the line managers actions

Functional — relationships between specialist positions and other areas. The specialist will normally have the authority to insist that a line manager implements any of their instructions.

In many large companies the organization chart can be large and incredibly complicated and is therefore sometimes dissected into smaller charts for each individual department within the organization.

Hierarchical: A hierarchical organization is structured in such a way that every entity in the organization, except one, is subordinate to a single other entity.

Matrix: Matrix Management is a type of organizational management in which people with similar skills are pooled for work assignments.

Flat: Flat organization (known as horizontal organization) refers to an organizational structure with few or no levels of intervening management between staff and managers.

8 Differences between a Public Limited Company and a Private Limited Company

A public limited company is a company with limited stockholder liability. It is a company in the United Kingdom whose shares can be bought and sold on the stock market and whose stockholders are subject to restricted liability for any debts or losses. The important difference from a private company is that a public limited company may offer its shares for sale to the general public. It may also be quoted on the stock exchange.



Lecturing Hints

Section I Lead-in

1 Ask students to work in pairs and talk about the business celebrities shown in the pictures.

Suggested answers:

- ① Warren Edward Buffett is a US investor, businessman, and philanthropist. He is one of the most successful investors in history, the largest shareholder and CEO of Berkshire Hathaway, and in 2008 was ranked by Forbes as the richest person in the world.
- ② Bill Gates is co-founder, chairman and chief software architect of Microsoft, the most successful software company in the world.
- ③ Michael Dell is the founder and CEO of Dell computer corporation that is the world's largest direct sales computer company.
- ④ Oprah Winfrey is the most successful female talk show host in American TV history. She is the executive officer, and chairman of Harpo Productions.
- ⑤ Li Ka-shing is the world's richest Chinese, one of the world's most successful Chinese entrepreneurs. He guides Cheung Kong Holdings, Hutchison Whampoa Group, the Hong Kong Electric, and Cheung Kong Infrastructure.
- ⑥ Jack Welch is the Former chairman and chief executive officer, General Electric Company.
- ⑦ Steve Jobs is the co-founder and CEO of Apple and Pixar.
- ⑧ Li Yanhong is ("Robin Li") the CEO of the Chinese Internet search engine Baidu.com (BIDU).
- ⑨ Sir Richard Charles Nicholas Branson is an English industrialist, best known for his Virgin brand of over 360 companies.

2 Ask students to match the type of business organizations to each paragraph.

Suggested answers:

- | | | |
|-----------------------------|---------------------------|-----------------|
| ① sole trader | ② holding company | ③ partnership |
| ④ multinational corporation | ⑤ public limited company | |
| ⑥ export trading company | ⑦ private limited company | ⑧ joint venture |

3 Students work in pairs and discuss what type of business organization the following companies are.

Suggested answers:

① MTR Corporation Limited

The Group's principal activities are constructing and operating the mass transit railway system in Hong Kong. It comprises the MTR Lines, consisting of the Kwun Tong Line, Tsuen Wan Line, Island Line, Tung Chung Line and Tseung Kwan O Line and the Airport Express Line. Other commercial activities include letting of advertising and retail space, bandwidth services on the railway telecommunication system, railway consultancy services, freight and rail related subsidiaries' businesses. The Group is also involved in property rental, property management, property development, customer relationship management services, consultancy services, introducing the smartcard system, and investment holdings. Operations are carried out in Hong Kong, the Netherlands, Macau, the mainland of China, the Cayman Islands and the British Virgin Islands.

② The Coca-Cola Company: corporation

The Coca-Cola Company (NYSE: KO) is the world's largest beverage company; the largest manufacturer, distributor and marketer of non-alcoholic beverage concentrates and syrups in the world and is one of the largest corporations in the United States. The company is best known for its flagship product Coca-Cola, invented by pharmacist John Stith Pemberton in 1886.

③ Shanghai Volkswagen Co. Ltd, a joint venture

Shanghai Volkswagen Automotive Co., Ltd. (SVW) is a joint venture company between Volkswagen Group and Shanghai Automotive Industry Corporation (SAIC) established in 1984. The company is headquartered in Anting International Auto City, northwest of Shanghai city, in the People's Republic of China. It has an annual production of 500 000 automobiles.

④ FedEx Corporation

FedEx Corporation provides transportation, e-commerce, and business services in the United States and internationally. It operates in four segments: FedEx Express, FedEx Ground, FedEx Freight, and FedEx Services.

⑤ KFC Corporation: a Franchise

KFC Corporation, based in Louisville, Ky., is the world's most popular chicken restaurant chain specializing in Original Recipe, Extra Crispy and Original Recipe Strips with home-style sides, Honey BBQ Wings, and freshly made chicken sandwiches. There are more than 14,000 KFC outlets in more than 80 countries and territories around the world, serving some 12 million customers each day.

⑥ Shenzhen Development Bank Co. Ltd

Shenzhen Development Bank (SDB) has an international character. It was the first Chinese bank to receive significant foreign investment and its chairman and CEO is a former deputy secretary of the US Treasury Department, Frank Newman. SDB offers banking

deposits, loans, and credit and debit cards to commercial and individual clients. It also trades in foreign and domestic securities and offers a mix of financial services including trust services and investment banking. A joint venture with Hyundai provides auto financing.

4 Students work in groups and make a list of the Fortune Global 500 companies which they know.

The Fortune 500 is an annual list compiled and published by Fortune magazine that ranks the top 500 US privately held and public corporations as ranked by their gross revenue after adjustments made by Fortune to exclude the impact of excise taxes the companies collect. The list includes publicly and privately-held companies for which revenue figures are publicly available. The Global 500 companies in 2009:

Rank	Company	Rank	Company
1	Royal Dutch Shell	26	E.ON
2	Exxon Mobil	27	PDVSA
3	Wal-Mart Stores	28	ArcelorMittal
4	BP	29	AT&T
5	Chevron	30	Siemens
6	Total	31	Pemex
7	ConocoPhillips	32	Hewlett-Packard
8	ING Group	33	Valero Energy
9	Sinopec	34	Petrobras
10	Toyota Motor	35	Banco Santander
11	Japan Post Holdings	36	Statoil Hydro
12	General Electric	37	Bank of America Corp.
13	China National Petroleum	38	Royal Bank of Scotland
14	Volkswagen	39	Citigroup
15	State Grid	40	Samsung Electronics
16	Dexia Group	41	Berkshire Hathaway
17	ENI	41	McKesson
18	General Motors	43	Société Générale
19	Ford Motor	44	Nippon Telegraph & Telephone
20	Allianz	45	International Business Machines
21	HSBC Holdings	46	Crédit Agricole
22	Gazprom	47	Assicurazioni Generali
23	Daimler	48	Nestle
24	BNP Paribas	49	J.P. Morgan Chase & Co.
25	Carrefour	50	Metro

Section II Reading

- 1 Give students ten minutes to go through the whole text and ask them to finish the comprehensive task. Teacher circulates and makes sure the students do not turn to any dictionaries during their reading.

Suggested answers:

Exercise 2

- Business enterprises customarily take one of three forms: sole ownerships, partnerships, or limited-liability companies (or corporations).
- Most businesses are sole ownerships.
- Most enterprises can be divided into three parts: capital (shareholders); management; labor.
- Shareholders are the owners of a company. Directors are the elected representatives of shareholders to run the company. The CEO is the link between the Board and senior management. If you were to create a traditional hierarchy chart, it would be in the following order: Shareholders; Board of directors; CEO; Senior Management

5.

Department	Position
Marketing Dept.	board of directors
Personnel Dept.	chairman
Production Dept.	director
Purchasing Dept.	manager
R & D Department	managing director
reception	president
Sales Department	shareholder
	vice president

Exercise 3

1. F 2. T 3. F 4. T 5. F

- 2 Teacher analyzes the text and explains difficult sentences and key words.

- Your better understanding of how each structure works **opens the door for** the right decision. 更好地了解各部分是如何运作的有助于做出正确的决定。
open the door for: make something possible; to provide opportunities for
e.g.: Apple's App Store Rejections **open the door for** the Competition.
- Nowadays lots of people are **setting up** their own businesses by creating small web-based companies working from home. 现在许多人在家里工作，通过网上开店开展自己的业务。

set up: establish or found

e.g.: Plenty of foreign firms have **set up** factories here.

3. The second form, the partnership, may have from two to fifty or more members, as **in the case of** large law firms, accounting firms and advertising agencies. 第二种形式为合伙企业，由2至50个，或者更多的合伙人设立，如大型律师事务所、会计师事务所、广告代理公司。

in the case of: as for

e.g.: It's the kind of story we think of as a myth. But in the case of Lincoln, the story is true.

4. Each partner may receive **varying** shares of the profits **depending on** their investment or contribution... 每个合伙人可以得到不同的利润分成，这取决于他们的投资多少或做出的贡献大小...

varying: marked by difference

e.g.: Our products are **varying** in forms or shapes.

depend on: rely on

e.g.: All living things depend on the sun for their growth.

5. A corporation is owned by multiple shareholders and is **supervised** by a board of directors, which hires the business's **managerial staff**. 公司的所有权由多个股东拥有。董事会受公司股东的委托管理经营公司。公司管理人员由董事会聘任。

supervise: watch and direct

e.g.: I supervised the workers loading the lorry.

managerial staff: all those concerned in managing an industry, enterprise, etc

e.g.: Management training programmes are organized for **managerial staff** at various managerial levels.

6. **In addition to** privately-owned corporate models, there are state-owned corporate models. 除了私营企业模式，还有国有企业模式。

in addition to: besides

e.g.: The union leaders asked for paid holidays in addition to the usual wage increase.

7. Most enterprises can **be divided into** three parts: 大部分企业可分为三部分：

be divided into: be separated into

e.g.: The investigators will be divided into three groups.

8. The management structure can be **represented** as follows: 管理结构如下面所示：

represent: take the place of or be parallel or equivalent to; stand for

e.g.: The rose represents England.

9. Directors are the elected representatives of shareholders to **run** the company. 董事作为股东代表被选出来经营公司。

run: to be in charge of; manage

e.g.: They ran the kindergarten extremely well.

10. A director is a senior manager who is **under the authority of** the Chairperson or President. 董事属于高级经理，由主席或董事长授权。

under the authority of: responsible to

e.g.: We can sell the product under the authority of the brand owner.

11. The Board of Directors **is responsible for** deciding the overall company policy and capital expenditure. 董事会负责整个公司的政策制定和资本支出。

be responsible for: be the cause or source of

e.g.: He should be responsible for that.

12. Executive directors **are concerned with** the day-to-day running of the business. 执行董事关注日常运营业务。

be concerned with: worry; be involved in

e.g.: He was concerned with moral principles, not profits.

13. Non-executive directors provide regular advice to the company but **are not** directly **involved in** the day-to-day supervision of the company. 非执行董事定期为公司提供建议, 但并不直接参与公司的日常监理。

be involved in: be connected with

e.g.: They were involved in a long legal wrangle over payment.

14. Middle managers (also called Line managers) are **in charge of** running sections or departments within a company. 中层管理人员负责公司内部各部分或部门的经营。

in charge of: in a position of responsibility

e.g.: I am in charge of financial affairs.

15. They **are accountable to** senior management for their particular area of responsibility as illustrated in the organization chart. 他们就某一特定的责任范围向高层管理人员负责。责任范围如组织结构图所示。

be accountable to sb for: be responsible to sb for

e.g.: The organization was held accountable for the mistakes.

16. A reasonable management structure will **promote** the development of the company. 合理的管理结构将促进公司的发展。

promote: contribute to the progress or growth of

e.g.: The government decided to promote public welfare.

3 Ask students to summarize the text.

Section III Language Focus

Vocabulary

- 1 Tell students to match the words from the text with their corresponding definitions. Teacher can circulate in the classroom monitoring how students are doing their work. Explain difficult words such as *executive*.

Suggested answers:

1. d 2. f 3. a 4. e 5. b 6. c

- 2** Get students to work in pairs and finish Exercise 2. Explain difficult words such as *expend*.

Suggested answers:

NOUNS	VERBS
1. management	manage
2. operation	operate
3. decision	decide
4. investment	invest
5. supervision	supervise
6. expenditure	expend
7. ownership	own
8. representative	represent
9. running	run
10. corporation	corporate

- 3** Ask students to finish Exercise 3 orally, one student for one blank.

Suggested answers:

- | | | |
|----------------|---------------|-----------------|
| 1. rundown | 2. change | 3. state-owned |
| 4. accountable | 5. commercial | 6. unchangeable |

- 4** Tell students to finish Exercise 4 and ask eight students to tell the class their answers. One student for one blank.

Suggested answers:

- | | | | |
|-----------|-----------------|----------------|-------------|
| 1. sole | 2. corporations | 3. partnership | 4. operate |
| 5. profit | 6. ownership | 7. involved | 8. operated |

Grammar

- 1** Complete the list of the usage of “the past simple tense”.

1. Completed Action in the Past

Use the Past Simple tense to express the idea that an action started and finished at a specific time in the past. Sometimes, the speaker may not actually mention the specific time, but they do have one

specific time in mind.

e.g.: I **saw** a movie yesterday.

I **didn't see** a play yesterday.

Last year, I **traveled** to Japan.

Last year, I **didn't travel** to Korea.

Did you **have** dinner last night?

She **washed** her car.

He **didn't wash** his car.

2. A Series of Completed Actions

We use the Past Simple tense to list a series of completed actions in the past. These actions may happen one after another.

e.g.: I **finished** work, **walked** to the beach, and **found** a nice place to swim.

He **arrived** from the airport at 8:00, **checked** into the hotel at 9:00, and **met** the others at 10:00.

Did you **add** flour, **pour** in the milk, and then **add** the eggs?

3. Duration in the Past

The Past Simple tense can be used to express a duration which started and stopped in the past. A duration is often indicated by expressions such as: *for two years, for five minutes, all day, all year, etc.*

e.g.: I **lived** in Brazil for two years.

She **studied** Japanese for five years.

They **sat** at the beach all day.

They **did not stay** at the party the entire time.

We **talked** on the phone for thirty minutes.

A: How long **did** you **wait** for them?

B: We **waited** for one hour.

4. Habits in the Past

The Past Simple tense can also be used to describe a habit which stopped in the past. It can have the same meaning as “used to.” To make it clear that we are talking about a habit, we often add expressions such as: *always, often, usually, never, when I was a child, when I was younger, etc.*

e.g.: I **studied** French when I was a child.

He always **played** the violin.

He **didn't play** the piano very often.

Did you **play** a musical instrument when you were a kid?

She **worked** at the movie theater after school.

They never **went** to school regularly; they always **skipped** classes.

5. Past Facts or Generalizations

The Simple Past can also be used to describe past facts or generalizations which are no longer true. This use of the Simple Past is quite similar to the expression “used to.”

e.g.: She **was** shy as a child, but now she is very outgoing.

He **didn't like** tomatoes before.

Did you **live** in Texas when you **were** a kid?

People **paid** much more to make cell phone calls in the past.

2 Ask students to work in pairs and finish the exercise on Page 23 in the course book.

Suggested answers:

1- a, e 2-d 3-b 4-c

3 Tell students to work on Exercise 5. Go through the exercise with the whole class, explaining any difficulties.

Suggested answers:

1. was	2. studied	3. received	4. moved	5. started
6. was	7. learned	8. took	9. convinced	10. appointed
11. rose	12. realized	13. started	14. became	

Translation

Tell students to work on Exercise 6. Go through the exercise with the whole class, explaining any difficulties.

1. Unlimited liability companies are at higher risk than limited liability companies.
2. The company has started to cooperate with world famous corporations.
3. We must focus on our core business.
4. ABC Co., LTD. was established in 1998. It specializes in the production of textile machinery.
5. He was working in the personnel department before he was promoted to CEO of that multinational.

Section IV Business Writing

A Company Profile

1 Ask students to read the company profile.

2 Provide information on how to write a company profile.

Suggested answers:

Exercise 1

A comprehensive and detailed company profile contains these elements:

1. Introduction
2. Executive summary
3. Company history
4. Organization structure
5. Financial performance and ownership introduction
6. Executive profiles
7. Business operations and plant locations all over the world
8. Joint Ventures and Alliances (if any) in those locations
9. Business status
10. OEM detail
11. Market Position
12. Advanced R&D
13. New technology fields
14. Current and advanced products
15. Legal
16. SWOT analysis
17. Overall strategic position
18. Near-term events
19. Long-term events

Exercise 2

McDonald's Corporation (NYSE: MCD) is the world's largest chain of fast-food restaurants, primarily selling hamburgers, chicken, French fries, milkshakes and soft drinks. More recently, it also offers salads, fruit and carrot sticks.

The business began in 1940, with a restaurant opened by siblings Dick and Mac McDonald in San Bernardino, California. Their introduction of the "Speedy Service System" in 1948 established the principles of the modern fast-food restaurant. The present corporation dates its founding to the opening of a franchised restaurant by Ray Kroc, in Des Plaines, Illinois on April 15, 1955, the ninth McDonald's restaurant overall. Kroc later purchased the McDonald brothers' equity in the company and led its worldwide expansion.

With the successful expansion of McDonald's into many international markets, the company became a symbol of globalization and the spread of the American way of life. Its prominence also made it a frequent subject of public debates about obesity, corporate ethics and consumer responsibility.

Tips on writing a company profile:

Eight tips for introducing a company:

Tip 1: Identify the name of your company or organization.

Tip 2: Tell about the company or organization. Mention how it was started, how long you've been in business, your mission or business objective or goals, and so forth.

Tip 3: If appropriate, identify the product(s) or service(s) you provide, and identify the benefits of buying or using these products or services. Tell why they are better than the competition; how they will save the reader time / money, make his / her quality of life better, or help him / her to accomplish a certain goal; and so on. In short, tell the reader why he / she must have the product or service you offer.

Tip 4: Invite the person to an open house, grand opening, sale, etc. if applicable.

Tip 5: If you represent an organization, describe the benefits of the organization, such as the good they do in the community, what they have been able to accomplish in the past, the benefits of membership (if applicable), and so forth.

Tip 6: Invite the reader to be your customer or to join your organization, or include information on how he / she can purchase your product or service, whether at a physical store, online, over the phone, etc.

Tip 7: Include information that will allow the reader to find out more if desired about your company or organization or the products or services you provide.

Tip 8: Close by expressing your hope that the person will want to join your organization or become a customer.

Section V Listening & Speaking

Listening

Ask students to listen to the dialogue and finish Exercise 1.

Suggested answers:

Exercise 1

1. Yes, it's a multinational company.
2. Mr. Sun thinks the company is in the leading position in the industry.

3.

Forms of business organization	Multinational Corporation	Capital (in US\$)	396 800 million dollars	Year Established	1970
Main Products	Electronic equipment		Major Departments	R&D center, QC center, HR Dep., supply Dep., sales and marketing Dep., finance Dep., production Dep.	
Number of Employees	1 200	Annual Sales(in US\$)	Over 23 billion US\$	Operation	Making electronic equipment

Script — listening

Brian: Excuse me, but aren't you Mr. Sun from Wallance company, London?

Mr. Sun: Yes, I am. Here's my card.

Brian: I'm Brian, the sales manager of Lucky-Goldstar Corporation.

Mr. Sun: Glad to meet you, Mr. Brian.

Brian: Welcome to our company. Our company makes electronic equipment. It was established in 1970, and we have about 1 200 employees now in two different locations. Most people work here at our headquarters plant. The others work in Thailand.

Mr. Sun: Is it a multinational company?

Brian: Yes, it is.

Mr. Sun: What are the Major Departments?

Brian: The company consists of 7 major sections. They are R&D center, QC center, HR department, supply department, sales and marketing department, finance department, and production department.

Mr. Sun: Great. How about the capital of your company?

Brian: 396 800 million dollars.

Mr. Sun: How about your annual sales?

Brian: The annual sales is over 23 billion US\$. For each of the last five years, the annual growth has averaged 14%, with sales reaching the US\$32 billion mark in 2009.

Mr. Sun: Great. Really, in the industry, your company is in the leading position. Everything I've seen so far is very impressive. Very impressive indeed. Thanks for your introduction.

Brian: That's all right. It's my pleasure.

Communication Skills

Ask students to work in groups to make a presentation according to the information given in Exercise 2.

Suggested answers:

Exercise 2

HP wants to be “it” when it comes to IT. Hewlett-Packard provides one of the world’s most comprehensive portfolios of hardware, software, and services. Its products include personal computers, servers, storage devices, printers, and networking equipment. The company’s service unit provides IT and business process outsourcing, application development and management, consulting, systems integration, and other technology services. HP’s software products include enterprise IT management, information management, business intelligence, and carrier-grade communications applications. The company markets to consumers, businesses, government agencies, and schools in more than 170 countries.

Speaking

Ask students to study the sample dialogue and do Exercise 3 about introducing a company.

Section VI Business Etiquette

Ask students to study these rules one by one and to search for more over the Internet after class. Their searching results will be graded as a part of their daily performance.



Resource Data

1 Approximate Equivalents in the Company Law

There are many types of business entities defined in the legal systems of various countries. These include corporations, partnerships, sole traders and other specialized types of organizations. Some of these types are listed below.

For guidance, approximate equivalents in the company law of English-speaking countries are given in most cases, e.g. ≈ PLC (UK), ≈ Ltd. (UK), ≈ limited partnership, etc. It should be

remembered, however, that the regulations governing particular types of entities, even those described as roughly equivalent, may differ to a greater or lesser extent between countries.

Depending on which type of business entity you choose will also influence the legal structure.

Australia:

Inc. (Incorporated): restricted to non-profit associations

Ltd. (Limited): \approx PLC (UK). The suffix Ltd. may also be used by a private company limited by guarantee, such as a charity or university (these may obtain a dispensation from the Registrar of Companies to operate without the suffix).

NL (No liability): a type of mining company with no right to call up the unpaid issue price of shares

Pty. Ltd. (Proprietary Limited Company): \approx Ltd. (UK)

Pty. Ltd. (Proprietary Limited Company): \approx Ltd. (UK)

ATF Trust. In Australia companies can act as a trustee for a trust.

The mainland of China:

有限公司: \approx Ltd. (UK). See also Partnership (China).

股份有限公司: \approx PLC (UK)

Hong Kong:

Ltd. (Limited / 有限公司): may denote either a private or public company limited by shares, or a company limited by guarantee. Under the Hong Kong Companies Ordinance, the name of a Hong Kong incorporated company may be registered in either the English or Chinese language, or both.

Unltd. or Ultd. (Unlimited / 无限公司): similar to a limited liability company (Ltd.) but whose members or shareholders do not benefit from limited liability should the company ever go into formal liquidation. It is not a requirement under company law to add or state the word or designation Unlimited (无限公司) or its abbreviations (Unltd., or Ultd.) at the ending of its legal company name, and most unlimited companies do not.

2 Presentation and Planning

1. Essential Preparation and Planning

This is a checklist of the essential elements to consider in preparing and planning an oral presentation. Use it yourself by filling in the boxes on the right under “My Ideas”.

QUESTIONS TO ASK YOURSELF	EXAMPLES	MY IDEAS
1. What is the aim?	To buy my product To adopt my recommendations To join the club To give me a job	
2. What is my title?	The new Nokia 2001 How to reduce production cost The INT Chess Club	

3. Who am I speaking to?	What are the benefits to the audience of my product / report / speech? Are these people the decision makers? What do they know of the subject? How does this change my approach? What sort of questions will they ask me? What are the answers? What aspects will they be interested in?	
4. What are the main points I want to make?	1, 2, 3; first, second, third; point a, point b, point c	
5. What do I want the audience to do after listening to my presentation?	We must invite them: to buy my product to accept my findings to join the club to give me a job	

2. Other Questions Concerning Physical Aspects

Who is the audience?

How many people will there be in the audience?

Check beforehand, if you can, the place where you are going to make your presentation.

Where will it take place?

How big is the room?

What equipment is there in the room? What equipment do I need?

Does the equipment work?

Are you going to need a black or whiteboard?

Have you got chalk and / or a felt tip pen?

Do you need an overhead projector or a screen?

Are they in place? Is there a podium? Where are you going to put your notes / papers / transparencies?

Do you need an adapter or extension cord?

Can the information be seen?

Can you present the information and not get in the way?

Do you need a pointer?

Will you need to dim the lights or draw the curtains?

Are you going to need handouts or any other documents? How many? Do they present a good image of you and your company?

What time of day is it? What day is it? Will the audience be more or less receptive when listening?

In relation to what the audience knows or time constraints, what can I eliminate if necessary?

Am I dressed appropriately? Shoes polished? Are my hands and fingernails clean?

Unit

3

Business Plan

Teaching Objectives

By the end of this unit, students will

- ☐ Gain a basic knowledge about business plans
- ☐ Be able to write an agenda
- ☐ Use the future tense
- ☐ Be able to talk about organizing a meeting



Suggested Teaching Schedule

Time Schedule	Class Content	Homework
Sections I-II	Lead-in Students discuss and understand the basic background knowledge of making business plans. Reading Allow students a few minutes to go through the text and finish the comprehension tasks. Explain the key language points.	Extended Book reading
Section III	Vocabulary Students finish the vocabulary task and are offered more information about these key words.	Extended Book vocabulary , grammar and

	Grammar Teacher explains the future tense with examples; students finish the exercises. Translation Students finish the translation task.	translation
Sections IV-VI	Writing Students discuss how to write an agenda. Teacher provides more information. Teacher asks students to write a meeting agenda according to the information given in Chinese. Listening Students finish the listening task. Communication Skills Students study the sentence patterns together. Speaking Students study the sample dialogue and practice it.	Extended Book Oral practice



Background Information

1 What is a business plan?

A business plan is a plan that works for a business to look ahead, allocate resources, focus on key points, and prepare for problems and opportunities.

Unfortunately, many people think of business plans only for starting a new business or applying for business loans. But they are also vital for running a business, whether or not the business needs new loans or new investments. Businesses need plans to optimize growth and development according to priorities.

2 What is a startup plan?

A simple startup plan includes a summary, a mission statement, keys to success, market analysis, and break-even analysis. This kind of plan is good for deciding whether or not to proceed with a plan, to tell if there is a business worth pursuing, but it is not enough to run a business.

3 Is there a standard business plan?

A normal business plan (one that follows the advice of business experts) includes a standard set of elements. Formats and outlines vary, but generally a plan will include components such as descriptions of the company, its product or service, market, forecasts, management team, financial analysis, etc.

Your plan will depend on your specific situation. For example, description of the management team is very important for investors while financial history is most important for banks. However, if

you're developing a plan for internal use only, you may not need to include all the background details that you already know. Make your plan match its purpose.

4 A Suggested Standard Outline

If you have the main components, the order doesn't matter that much, but here's the outline order we suggest in a business plan:

1. Executive Summary

Write this last. It's just a page or two of highlights.

2. Company Description

Legal establishment, history, startup plans, etc.

3. Product or Service

Describe what you're selling. Focus on customer benefits.

4. Market Analysis

You need to know your market, customer needs, where they are, how to reach them, etc.

5. Strategy and Implementation

Be specific. Include management responsibilities with dates and budget.

6. Management Team

Include backgrounds of key members of the team, personnel strategy, and details.

7. Financial Plan

Include profit and loss, cash flow, balance sheet, break-even analysis, assumptions, business ratios, etc.

5 Who needs a business plan?

About the only person who doesn't need a business plan is one who's not going into business. Anybody beginning or extending an enterprise that will consume significant resources of money, energy, or time and that is expected to return a profit should take the time to draft some kind of a plan.

1. Startups

The classic business plan writer is an entrepreneur seeking capital to help start a new business. Many great companies had their beginning on paper, in the form of a plan that was used to convince investors to put up the capital necessary to get them under way.

However, it is a mistake to think that only cash-starved startups need business plans. Companies and managers find plans useful at all stages of their existence, whether they are seeking finance or are trying to figure out how to invest a surplus.

2. Corporate managers

If you have ever held a managerial position of any stature in a large corporation, you know well the rounds of several-year, annual, quarterly, and even monthly budgets, forecasts, reports, analyses,

and plans you are expected to draft. Many large companies employ sizable staffs who do nothing but plan and assist others in planning, and sometimes one round of planning seems to lead directly into the next, with precious little time for actually implementing all the schemes.

Some people enjoy all this corporate paperwork; others consider it a good argument for entrepreneurship. Either way, it's hard to imagine running an organization that employs tens of thousands without careful documentation and controls.

3. Established Firms Seeking Help

Many business plans are written by and for companies that are long past the startup stage but also well short of large-corporation status.

These middle-stage enterprises may draft plans to help them find capital for growth just as the start ups do, although the amounts they seek may be larger and the investors more willing. They may feel the need for a written plan to help manage an already rapidly growing business. A business plan may be seen as a valuable tool to convey the mission and prospects of the business to customers, suppliers, or other interested parties.

6 Business Planning Risks

There are risks associated with writing a business plan. While one of the main purposes of a business plan is to help you avoid risk, writing a business plan does create some kind of risks. The risks include:

1. The Possible Disclosure of Confidential Material

Although most of the people you show your plan to will respect its confidentiality, a few may disclose important information either deliberately or by mistake.

2. Ruining Your Reputation

You fill the plan with purposely over-optimistic exaggeration or even absurd information. Some plans aiming at seeking funds may even be written counter to securities laws.

3. Leading Yourself Astray

You may come to believe too strongly in the many forecasts and projects it includes.

4. Spending Too Much Effort Planning

You then may not have enough energy or time to actually run your business. It's a syndrome that occurs when you spend so much time planning what you never do anything about.

5. Reducing the Effectiveness of Your Plan

If you put too much detail into your plan, you run the risk of overburdening anybody who reads it with irrelevant detail. A plan should tell the story of your business. Thus it should be as easy as possible to read. That means keeping technical jargon under control. Explain any terms that may be unfamiliar to a reader who is not an expert in your industry. Besides, you should never make the mistake of trying to overawe a reader with your expertise. It is very possible that someone reading your plan will know more than you do.

It is easy to believe that a longer, more detailed plan is always better than a short, concise one. But financiers and others to whom you may send your plan are very busy. They do not have enough time to read every detail of the plan. Better to keep your plan to a couple of dozen pages and stick to the really important information.



Lecturing Hints

Section I Lead-in

- 1 **Ask students to work in pairs, and discuss and match the key factors of making business plans with the corresponding pictures.**

Suggested answers:

- ① E. Doing financial analysis: doing financial analysis is one of the essential steps in making a business plan. Knowing how much finance is needed for the business is vital; and here a feasibility study must be included.
- ② D. Positioning products or services: when starting a new business, products or services must be positioned in order to make clear the requirements and needs of potential customers.
- ③ B. Discussing and setting business objectives: objectives should be specific, measureable and attainable.
- ④ C. Conducting market analysis: marketing analysis in the business plan should incorporate a SWTO analysis of the business and any competition the business faces and describe how the business will market its product.
- ⑤ A. Assessing management: the business plan must include details of people who will work in the business, including owners and directors if appropriate, their roles and responsibilities, and the tasks they will undertake.

- 2 **Students work in groups. Ask students to discuss which group of factors belongs to which category of SWOT analysis.**

Suggested answers:

SWOT analysis is an analysis of the Strengths and Weaknesses of a business venture or project and its products, and the Opportunities and Threats it faces in the market. Based on the SWOT analysis, a business will assess the present situation, make adjustments to its strategies in order to achieve the objectives. When constructing a SWOT analysis, a business will first make a list of all its strengths, weaknesses, opportunities and threats.

S — 4: S stands for strengths, referring to the present advantages of the company.

W — 1: W stands for weaknesses, referring to the present disadvantages and problems that the company needs to handle.

O — 2: O stands for opportunities, referring to the chances that the company has in the present situation.

T — 3: T stands for threats, referring to any challenges and potential difficulties to which the company needs to attach importance.

3 Students work in pairs. Ask students to name the brands and their main competitors.

Suggested answers:

- ① Coca Cola: founded in 1892, headquartered in Atlanta, it is the largest beverage company in the world.

The main competitor — Pepsi-cola: one of the biggest soft beverage companies around the globe, it was incorporated in 1912, and developed into a company diversifying into areas such as fast food, sports products, etc.

- ② KFC: the famous fast food chain store from the US.

The main competitor — McDonalds: the world famous fast food chain store, founded in 1954, being the most valuable brand in the catering industry.

- ③ Kodak: the producer and supplier of products relating to photography, headquartered in the New York State in the US.

The main competitor — Canon: the Japanese group specializing in producing products of photography and information.

- ④ Mercedes-Benz: a famous automobile brand belonging to Daimler Chrysler, one of the three largest car producers in the US.

The main competitor — BMW: starting from an engine producer to the present leading Germany-based company.

- ⑤ Dell: the leading US company in the computer industry, founded by Michael Dell. It is also the fastest growing company in the industry using the operation model of direct selling.

The main competitor — Apple: a US-based company specializing in electronic technology products, such as PCs, mobile phones, palm entertainment terminals, etc.

- ⑥ Nokia: the Finland-based company possessing the leading place in terms of its global market share for years.

The main competitor — Motorola: set up in 1920, it is the leading group of electronic chip manufacturing and electronic telecommunications.

Section II Reading

- 1 Give students ten minutes to go through the whole text and ask them to finish the comprehensive task. Teacher circulates and makes sure students do not turn to any dictionaries during their reading.

Suggested answers:

Exercise 2

1. A business plan refers to the written description of a venture's business strategy and future behavior.
2. First, they establish the aims of the business; second, they are important in getting money for a business venture, showing how financially sound the venture is and its growth potential in the future; third, sales and other forecasts in a business plan provide a measure with which the actual performance of the business can be compared.
3. A useful business plan can be any length; a typical one usually runs 15 to 20 pages. The length of a business plan may depend on the nature of the business and the purpose of the plan.
4. A typical business plan should incorporate several key factors — analysis of products and services, market, finance, materials and equipment, management and staff.

Exercise 3

1. F 2. T 3. T 4. T 5. T

- 2 Teacher analyzes the text and explains difficult sentences and key words.

1. A business plan is a written description of the future of your business, a **document** that tells what you plan to do and how and when you plan to do it. 一份商业计划书是对企业未来的一种文字描述，也是一份文件，告诉你计划做什么以及如何去做。

document: a piece of paper that gives official written information about something

e.g.: A business plan is in fact a document that helps companies to attract investment.

2. Even if you write down a paragraph on the back of an envelope describing your business **strategy**, you've written a plan. 即使是在一张信封的背面写下一段话来描述你的商业策略，你就已经写下了一份计划书。

strategy: a well planned-series of actions for achieving an aim

e.g.: The strategy taken by the sales department didn't harvest a satisfactory result.

3. There are some generally accepted rules about what a full business plan should cover — all the essential matters that will **contribute to** the success of your business. 一份完整的商业计划书所应该包含的内容，即有助于你的企业获得成功的所有关键要素，通常存在着一些受到广泛认同的规则。

contribute to: to help to cause something

e.g.: Various factors contributed to his downfall.

4. Here is your chance to **dazzle** the readers with good information about your products or services and why customers will want to purchase your products and services and not your competitors'. 这是一次很好的机会来向读者闪亮展示你公司的产品和服务以及客户愿意购买你公司的而非竞争对手的产品或服务的缘由。

dazzle: to amaze / attract somebody

e.g.: As a child, we were dazzled by my uncle's good looks and charm.

5. Now you have to **lay out** what your marketing plan is. 现在你必须展示你的营销计划。

lay out: arrange or plan or show something

e.g.: The garden is laid out in a formal pattern.

6. They establish the aims of the business, which help the business to **focus** its efforts. (商业计划书) 构建企业的目标, 从而帮助企业集中力量。

focus: to pay special attention to a person or something instead of others

e.g.: Companies should focus on training employees.

7. They help banks and other monetary institutions to decide whether to **make a loan to** the business. 这可以帮助银行和其他货币机构决定是否贷款给企业。

make a loan to: lend money to someone or some organizations

e.g.: The bank made a loan of ten thousand pounds to the factory.

8. Sales and **forecasts** in a business plan provide a measure with which the actual performance of the business can be compared. 商业计划书里的销售额和预测量可以提供一种衡量尺度来对比企业的实际业绩。

forecast: a description of what is likely to happen in the future, based on the information that is available now

e.g.: The company's annual sales forecasts gave the management great confidence.

9. If you are proposing a new kind of business, it may require quite a lot of explanations to **get** the message **across**. 如果你筹划开办一家新型企业, 这就可能需要用很长的篇幅来解释说明。

get across: to make something understood

e.g.: Did your speech get across to the audience?

10. If you are looking for millions of dollars in **seed capital** to start a risky venture, you will have to do a lot of explaining and convincing. 如果你寻求大笔资金作为原始资本来开办一家存在风险的企业, 你就不得不进行大量的解释和说服工作。

seed capital: money used for investment at the beginning stage

e.g.: When it sold the marketplace to the Bank in 2002, it gained the seed capital to turn its toolset into a product.

11. Summary and conclusion — summary statements of **market prospects**, recommendations regarding the future, and action steps to be followed. 概括和结论部分——就市场前景、对未来的建议以及随后采取的措施进行概括性论述。

market prospects: a probability or chance for future success, esp. as based on present work or aptitude

e.g.: There is the prospect of a very profitable market for your product in my country.

12. As you write your business plan, stick to facts instead of feelings, and realistic **expectations** of profit instead of unrealistic dreams of wealth. 撰写商业计划书时，要坚持遵循事实而非感觉，坚持对利润进行实际的预期而非对财富采取不切实际的幻想。

expectation: the belief that something will happen because it is likely or planned

e.g.: Against all expectations, the business plan failed to attract investors to finance the new project.

3 Ask students to summarize the text.

Section III Language Focus

Vocabulary

- 1 Tell students to match the words from the text with their corresponding definitions. Teacher can circulate in the classroom monitoring how students are doing their work. Explain difficult words such as *institution*.

Suggested answers:

1. e 2. c 3. d 4. a 5. f 6. b

- 2 Get students to work in pairs and finish Exercise 2. Explain difficult words such as *anticipate*.

Suggested answers:

VERBS	NOUNS
1. describe	description
2. analyze	analysis
3. manage	management
4. implement	implementation
5. invest	investment
6. determine	determination
7. convince	conviction
8. propose	proposal
9. anticipate	anticipation
10. recommend	recommendation

3 Ask students to orally finish Exercise 3. One student for one blank.

Suggested answers:

- | | | |
|-------------------|--------------------|---------------|
| 1. implement | 2. sets apart from | 3. laying out |
| 4. qualifications | 5. recommendation | 6. typical |

4 Tell students to finish Exercise 4 and ask eight students to tell the class their answers. One student for one blank.

Suggested answers:

- | | | | |
|-------------|---------------|------------|-----------------|
| 1. format | 2. elements | 3. targets | 4. essential |
| 5. analysis | 6. management | 7. finance | 8. institutions |

Grammar

1 Usage of “the future”

There are several ways to express the “future happenings”.

1. The usage of “will V” in future simple tense

- (1) We use “will V” to state the facts that will happen in the future.

e.g.: We **will begin** to implement the business plan tomorrow.

- (2) We use “will V” to make a predication of the future

e.g.: They **will sell** the car.

If the crops fail, there **will be** a famine.

- (3) We use “will / shall V” to indicate modality

“will” is used to express the willingness or intention of the speaker; while “shall”, showing stronger tone, is used to make promises or express firm determination.

e.g.: We **will wait** for you.

I **shall be** there, I promise you.

2. The usage of “be going to V”

- (1) “be going to” is often used to express the intention of the speaker, and indicate that relevant preparation has been made in advance. Therefore, “be going to” indicates stronger possibility of occurrence of future facts than “will V”.

e.g.: A: Where is the meeting schedule?

B: I **am going to get** it for you. (It indicates that some preparation has been made.)

I **will get** it for you. (The decision is made after hearing the question.)

- (2) “be going to” emphasizes that we judge the future events according to present signs and omens.

e.g.: I feel dizzy. I think I'm **going to faint**.

George is putting on weight. He **is going to be** quite fat.

(3) “be going to” is often used in a conditional adverbial clause; while “will V” is seldom used in such cases.

e.g.: If you **are going to participate in** the football match, you'd better make some preparations.

3. The usage of “present simple”

This way of expression is often used to emphasize that future events have been fixed according to a schedule.

e.g.: It won't be long before the rain **stops**.

The train **leaves** at 9:00 this morning.

4. The usage of “be + V-ing” (present continuous)

This expression is mainly used to show that actions happen according to plans and arrangements. Verbs showing shifting of location are often used in this case, such as come, go, leave, start, arrive, etc.

e.g.: The President **is coming** to the UN this week.

We **are moving** to a different hotel the day after tomorrow.

5. The usage of “will be doing”(future continuous)

(1) It can be used to express an action going on in the future and usually goes together with adverbials like “this time tomorrow”, “at seven o'clock tomorrow morning” etc.

e.g.: What **will you be doing** this time tomorrow?

(2) It can simply express that things will surely happen at a certain time in the future.

e.g.: A: Would it be any trouble for you to post the letter?

B: No, not at all. I **shall be going out** presently.

(3) It can also be used to express euphemism.

e.g.: **Will you be needing** anything else?

If you **will be wanting** anything, just let me know.

6. The usage of “will have V-ed” (future perfect)

This expression is often used to state the action that will be finished at a certain time in the future. It usually goes with adverbial phrases of time such as “by the end of the year”, “by then”, “by that time”, etc.

e.g.: **Will they ever have done** with their talking?

Before long, he **will have forgotten** all about the matter.

7. The usage of “will have been V-ing”(future perfect continuous)

This expression indicates that an action starts at a certain time and lasts till a certain time in the future.

e.g.: Mary **will have been working** in this factory for ten years by the end of the year.

If it rains again tomorrow, then it **will have been raining** for a solid week.

8. The usage of “be to V”, “be about to V” and “be on the point of V-ing”

(1) “be to V” is often used in a news report to talk about an event that is likely to happen in the

near future, or sometimes used to express a kind of prohibition, etc.

e.g.: He **is to make** a speech at the meeting.

There **is to be** an investigation.

Tell her she **is not to be** back late.

(2) “be about to” is used in a similar way to “be to V”, but “be about to V” indicates the instant future, and thus needn’t be used together with adverbials of future time such as “soon”, “at once”, etc.

(3) “be on the point of V-ing” expresses that things will happen immediately.

e.g.: Mary **was on the point of leaving** when she received a telephone call asking her to make an agenda for next week’s meeting.

2 Ask students to work in pairs and finish the exercise on Page 41 in the course book.

Suggested answers:

1-c 2-b 3-d 4-a

3 Tell students to work on Exercise 5. Go through the exercise with the whole class, explaining any difficulties.

Suggested answers:

- | | | |
|----------------------|-----------------------------|----------------------|
| 1. will be | 2. is going to have | 3. will find |
| 4. is going to be | 5. Are you going to take up | 6. are going to have |
| 7. are going to sell | 8. am going to cut | |

Translation

Tell students to work on Exercise 6. Go through the exercise with the whole class, explaining any difficulties.

1. Making appropriate business plans will contribute to the stable development of newly-established companies.
2. The positioning of products should be based on the analysis of the needs of the target market.
3. Banks are only willing to make a loan to those enterprises enjoying a well-deserved reputation.
4. Sticking to the management concept of “people-oriented” is one of the recipes for success of ABC Company.
5. It is the belief abided by Wal-Mart that sets the giant apart from other enterprises.

Section IV Business Writing

Agenda

- 1 Ask students to read the agenda.
- 2 Provide information on how to write an agenda.

Suggested answers:

Exercise 1

1. Title of meeting
2. Date, time, venue of meeting
3. Purpose
4. Specific time, item activity, responsible person for each item
5. As for the content of items, the following factors are contained:
call to order, review of the previous meeting minutes, matters arising, routine reports, issues for discussion, AOB, adjournment and date of next meeting, etc.

Exercise 2

Management Meeting of SJ Computer Technology Company

Date: April 12th, 2010

Time: 9:00-10:45 a.m.

Location: Huatian Hotel, 30 East Jiefang Road, Changsha, China

Purpose: Discussing the amendment of business plan

Time	Items
9:00-9:05 (5 minutes)	Call to order
9:05-9:35 (30 minutes)	Survey report of the competitive advantages of products
9:35-10:05 (30 minutes)	Report of financial analysis
10:05-10:35 (30 minutes)	Raising questions and discussion
10:35-10:40 (5 minutes)	Allocating tasks of amending the business plan
10:40-10:45 (5 minutes)	Date of next meeting and adjournment

Tips on writing agendas:

1. When writing your agenda, you should consider the following points:

- (1) Ensure that any items that other members have requested for discussion are included.

(2) Do not place too many items on an agenda.

(3) The agenda should follow a natural shape. The most difficult items — those needing the most discussion and thinking work — will be best placed in the middle third of the meeting. Routine items, information items or urgent items that can be dealt with quickly, can be put first; and the easiest items — those of great interest, or presentations by guest speakers — towards the end.

(4) Allocate time for each item, as well as a start and finish time for the meeting.

(5) In addition, once all the suggestions for agenda items have been received and the order has been decided on, a short description of the purpose of each item should be written. This ensures that everyone attending the meeting is clear about not only what things will be discussed, but why.

Some items may need background papers, to enable those attendees to have a more informed discussion. Where this is required, the papers should be produced and distributed at the same time as the agenda.

By taking time to write a well prepared agenda, you will gain the benefit of having an effective meeting that gets things done.

2. The Items and Their Order in Most Agendas

- (1) Apologies for absence (or: call to order)
- (2) Review of the previous meeting minutes
- (3) Matters arising from the previous meeting
- (4) Routine reports
- (5) Issues for discussion
- (6) AOB (any other business)
- (7) Date (also time and location) of the next meeting
- (8) Adjournment

3. Further Explanation of the Items and Points to Be Noticed

Tip 1: Apologies for absence (or: call to order) means the chairperson announces the opening of the meeting and declares that everyone is present.

Tip 2: The members shall go over the minutes of the previous meeting. If they find the minutes correct, they will pass the minutes. If the previous meeting's minutes have some faults, they must be amended before adoption.

Tip 3: Matters arising from the previous meeting are also discussed here. But if there are many matters arising, they can be discussed under a separate agenda item.

Tip 4: Routine matters are found in most meetings. In companies, they consist mainly of brief reports from the section or department heads. Usually the senior members report first.

Tip 5: These are matters to be discussed in the meeting. The simplest matters should come first, followed by the more controversial matters. The first item should be a matter that everyone will agree on quickly. This is to establish a friendly atmosphere for later discussion.

Tip 6: At the meeting, members may bring up matters not included in the agenda. They are to be discussed under the item "AOB". Usually, the chairperson will not allow a long discussion here. If the

matter is controversial, it may be put into the next meeting's agenda.

Tip 7: The committee decides on the time and date of the next meeting.

Tip 8: The chairperson ends the meeting.

Tip 9: However, there is one exception to this rule. If this is the first meeting an organization holds; Tip 2 and Tip 3 will be omitted because there is no last meeting to talk about.

Section V Listening & Speaking

Listening

Ask students to listen to the dialogue and finish Exercise 1 and 2.

Suggested answers:

Exercise 1

1. T 2. T 3. F

Exercise 2

1. Because they have focused on marketing too much.
2. They will put more effort into product quality.

Script — listening

Susan: We are meeting today to make a SWOT analysis for our company. Just remind you, SWOT stands for strengths, weaknesses, opportunities, and threats. Jack, what do you think about our strengths?

Jack: In my opinion, our main strength is our marketing team.

Susan: I agree, but I think just because we have focused on marketing too much, we haven't made much progress in product development. In order to satisfy our customers, we need to put more effort into product quality.

Jack: Well, let's talk about opportunities, shall we? I think if we focus on increasing the quality of our products, we can attract more customers. And then we may enjoy a higher market share in the future.

Speaking

Ask students to study the sample dialogue and do Exercise 4 about dealing with different occasions in meetings.

Section VI Business Etiquette

Ask students to study these rules one by one and to search more over the Internet after class. Their searching results will be graded as a part of their daily performance.



Resource Data

1 Expert Advice on Making Business Plans

Here is some expert advice on how to improve the content and presentation of your business plan.

1. Content:

- **Know Your Competitors**

Be prepared to name them and tell what makes you different from each of them.

- **Know Your Audience**

You will probably want a few versions of your plan — one for individual investors, one for bankers, one for companies that may want to do a joint venture with you rather than fund you, etc.

- **Be Realistic with the Time and Resources Available**

If you are working with a large company now, you may think things will happen faster than they will once you have to buy the supplies and drive to the post office and write the checks and answer the phones yourself. Over-optimism with time and resources will be a common mistake. Being realistic is important because it lends credibility to your presentation.

- **Be Logical**

Think like a banker and write what he or she would want to see, in an order that makes it easy to find the information.

- **Be Conservative in All Financial Estimates and Projections**

If you feel certain you will capture 50% of the market in the first year, you can say why you think so. But make your financial projection more conservative — for example, 10% market share is much more credible.

- **Build a Strong Management Team**

Your team does not have to have worked in the industry, but you do need to make a balance between what they have done and the skills needed to make your venture succeed. You should consider adding an advisory board of people skilled in your field, and use their CVs, or discuss the shortcomings in your business plan, showing how and when you will get the right people on board to fill in the gaps in your management team.

- **Describe Your Facilities and Location for Performing the Work**

If you need to expand, discuss when, where and why.

2. Presentation

- **Appearance Counts**

If you are in a technology business, don't use a typewriter. If you are pushing an artistic or imaginative idea, show some creativity.

- **Answer the Five Ws**

A good business plan should tell who, where, when, why, and how.

- **Use Informative Headings in the Document**

Use a lot of subtitles, and let them sell your idea. Make it easy for your readers to find what they want to know. They won't read it from start to finish.

- **Keep It Concise**

No matter how complicated your technology or how abstract your concept, you need to get all the information the investors need into your plan of about 20-24 pages.

2 Top Ten Dos and Don'ts of Making Business Plans

1. Top Ten Dos

- Prepare a complete business plan for any business you are considering.
- Use the business plan templates furnished in each session.
- Complete sections of your business plan as you proceed through the course.
- Use search engines to find business plans that are available on the Internet.
- Package your business plan in an attractive kit as a selling tool.
- Submit your business plan to experts in your intended business for their advice.
- Spell out your strategies on how you intend to handle adversities.
- Spell out the strengths and weaknesses of your management team.
- Include a monthly one-year cash flow projection.
- Freely and frequently modify your business plan to account for changing conditions.

2. Top Ten Don'ts

- Be optimistic (on the high side) in estimating future sales.
- Be optimistic (on the low side) in estimating future costs.
- Disregard or discount weaknesses in your plan.
- Stress long-term projections.
- Depend entirely on the uniqueness of your business or the success of an invention.
- Project yourself as someone you're not.
- Be everything to everybody.
- Proceed without adequate financial and accounting know-how.
- Base your business plan on a wonderful concept.
- Skip the step of preparing a business plan before starting.

3 Key Elements of a Business Plan

While there is no set format for a business plan, it should contain some key elements. These

describe the business, its objectives and targets in essential areas.

- Marketing
- Finance
- Human resources
- Materials and equipment

1. Marketing:

The marketing section of the business plan describes the market in which the business operates. It should contain a SWOT analysis of the business and any competition the business faces and describe how the business will market its product.

(1) SWOT Analysis

A SWOT analysis is an analysis of the Strengths and Weaknesses of a business or project and its products, and the opportunities and threats it faces in the market. When constructing a SWOT analysis, a business will first make a list of all its strengths, weaknesses, opportunities and threats.

The strengths of a business include factors such as:

- specialist knowledge, skills, or experience of the workforce or those establishing the business.
- an established reputation for quality or reliability.
- an established or confidently expected customer base
- low costs of production, for example, through state-of-the-art technology, enabling the business to be competitive by keeping prices low.

The weaknesses that must be taken into account contain some factors like:

- any lack of experience of the owners in running a business.
- lack of finance.
- lack of awareness of the new business among potential customers.
- inadequate production facilities to meet demand.

Factors in opportunities include:

- the opportunity to capture a share of the market by being competitive.
- the opportunity to supply a product that will fill a gap in the market.
- the opportunity to create a proper market.
- the opportunity provided by new developments in technology enabling the business to become more competitive.

Threats that a new business venture or project may face include factors such as:

- the strength of competitors who may take action to counter any threat to their own position posed by the new business venture, for example by cutting price or increased marketing.
- the reputation of competitors, including customer loyalty to a well-known brand name.
- uncertainty about demand for the product.
- possible future changes in demand due to changes in taste, fashion, lifestyle, etc.

Constructing a SWOT analysis in this way enables a business to:

- build on its strength, for example by emphasizing its reputation for quality.
- improve upon its weakness, for example by careful marketing to increase customer awareness

of the business and its products.

- take advantage of its opportunities, for example by utilizing the latest technology to reduce costs and become more competitive.
- defend itself against threat, for example by continually carrying out market research and keeping its product portfolio under review in order to anticipate changes in demand for its products.

(2) The Marketing Mix

The marketing mix for the product describes how the product will be marketed and consists of four elements: product, price, promotion, and place. These are often known as the four Ps:

Product: the product must be carefully researched and developed to meet the requirements of customers in terms of design and quality. If a product is in competition with the similar products of competitors, USPs (unique selling points) must be developed to differentiate it from those products. A strong brand name will help distinguish the product and establish it in the minds of customers.

Price: the price of the product should be set at a level that customers are prepared to pay and consider good value for money, taking into consideration factors such as quality, cost of production, the level of profit required, and the prices charged by competitors.

Promotion: it covers the methods of telling customers and potential ones about a business and its products. Effective promotion will stimulate potential customers to take action and purchase the product.

Place: this aspect includes the location where customers can buy the product, and the methods, or channels, of distribution to get the product to the customer. Customers will only buy a product if they can do so in a manner or at a place that is convenient for them. Many products are bought in shops and retail outlets. These may specialize in one type of product, such as shoe shops, pet shops, or garage, or be more general outlets, such as supermarkets and department stores. Some goods can be conveniently bought by post or over the telephone or Internet. Goods bought in these ways are delivered to the customer by post or carrier.

2. Finance:

Adequate finance is essential for a new business. Without it the business will not be able to purchase the goods it needs to operate. Capital is needed to purchase items such as premises, machinery and equipment. The business must also have sufficient cash to pay for items needed on a day-to-day basis, such as wages or salaries of employees, raw materials, and items required for the running of the business, such as rent, insurance, electricity and advertising.

(1) Feasibility Study

Besides knowing how much finance is needed for the new business, a business plan must include a feasibility study. A feasibility study is an analysis of the practicability of the new business — in other words, is it likely to succeed? The analysis should be based on the financial information that follows.

(2) Cash Flow Projection

A cash flow projection is a statement of the anticipated inflows and outflows of cash to the business over a set period.

- Inflows are cash received from any source, including loans, capital provided by the owners,

and revenue from sales.

- Outflows are cash paid out by the business for any purpose.

3. Human Resources

The business plan should include details of the people who will work in the business, including owners and directors, their roles and responsibilities, and the tasks they will undertake. For senior staff, full CVs should be included or attached to the business plan. These should fully describe their experience, skills and experience relevant to the new business venture.

The availability of a properly skilled and experienced labor force is an important consideration for a business when it is deciding on a location. A new business must consider any factors that might affect its ability to recruit the staff it needs. Such factors might include:

- the skills and experience of the local labor force.
- local levels of employment and the competition for jobs or employees.
- local wage and salary levels.

4. Materials and Equipment

This part of the business plan gives details of the materials and equipment the new business needs, what they will be used for, and their costs. The following items are included:

- machinery and equipment
- fixtures and fittings
- vehicles
- raw materials, parts and components

Potential suppliers of these items should be identified, together with details of any difficulties or constraints there may be in obtaining them.

4 The Components of a Formal Meeting

1. Agenda

A list of items to be discussed at a meeting: e.g. If you would like any items included on the agenda, please let me know before two o'clock on Wednesday.

2. Minutes

An official record of the proceedings of a meeting: e.g. A copy of the minutes has been sent to everybody concerned.

3. Secretary

The person who is responsible for the agenda and the minutes of a meeting: e.g. Contact the secretary if you can't attend the meeting.

4. Chair

The person who controls a meeting, also known as chairman, chairwoman, or chairperson: e.g. A new chairman has been appointed.

5. Participants

The people who attend a meeting: e.g. How many participants are we expecting?

6. AOB

Any other business; an item on an agenda which gives participants an opportunity to raise points that were not already included in the agenda: e.g. Thank you, George. Now, is there any other business?

7. Vote

An expression of opinion or preferences about a question: e.g. Each shareholder at the AGM has a vote.