



Lesson 07: Getting Started in Business

Before you start

- 1 How much free time do you have outside school? How do you spend it? Would you like to spend some of your free time earning money?

Reading

- 2 This article gives advice for someone who wants to start their own business. Match the questions (a–f) with the paragraphs (1–6).

- a How much will my business cost to run?
- b How do I get started?
- c Where will I get the money?
- d Can I make a profit?
- e How much money will I make?
- f How much should I charge?

What do Juan from Spain and Jessica from the USA have in common? They are both teenagers running successful businesses. Juan, 16, has a gardening business with 75 clients and three employees. Jessica's company cleans new houses. She started it when she was 14. If you want to start a business, good planning is important. Here are some tips.

- 1 Get organized. Decide what your skills are. Find out if there is a market for them in your area, e.g. ask your neighbours what they need. Babysitting, coaching for exams or sports, and computer training are all possibilities.
- 2 Decide how much money you need to start your business. Think about how to get the **capital**. You can use your own money or you can ask the bank for a **loan**. If you get a loan, be sure you can afford to pay the **interest**.
- 3 Calculate your **costs**. First, work out your fixed costs, for example, the rent on your office or the interest on a loan. Then add your variable costs, for example, equipment or tax (if you pay it).
- 4 Work out how much to charge for your service. Find out what other people are charging and use this to set your own prices.
- 5 Your **revenue** is the amount of money you receive from selling your service. You need to calculate this very carefully. Your revenue is the number of hours worked multiplied by (x) the price per hour.
- 6 Your business will make a **profit** if your revenue for a year is more than your costs. If your costs are higher than the revenue, you'll make a **loss**. Work out carefully the number of hours you need to work.

Vocabulary

- 3 Match the **highlighted** words in the text with the definitions (1–7). Write them in your language.
- 1 an amount of money you need to start a business _____
 - 2 the money you receive from selling a product or service _____
 - 3 what you make if your revenue is more than your costs _____
 - 4 what you make if your revenue is less than your costs _____
 - 5 an amount of money that someone, e.g. the bank, lends you _____
 - 6 money you pay for things and services to run your business _____
 - 7 an amount you pay for borrowing money, e.g. from the bank _____

Answer key:

2 a 3 b 1 c 2 d 6 e 5 f 4
 3 1 capital 2 revenue 3 profit 4 loss
 5 loan 6 costs 7 interest