

Task 1. Reading Comprehension

Read the article and decide whether statements 1-5 below agree with the author's opinion. Circle **Yes** if they agree with the author and **No** if they disagree

The art of doing it yourself

What advice would I give to new entrepreneurs who need funding? Forget about your business plan and buy a lottery ticket – your chances are better. My point is that when you need venture funding no one will give any money until you already have a marketable product. In other words, funding comes just when you do not need it.

A myth spread by business schools is that the way to start a venture is to create a great business plan, perfect your pitch, and then present this to investors, starting with venture capitalists. If that does not work, you knock on the door of angel investors.

But ask any entrepreneur who has called on venture capitalists and they will probably tell you that it is almost impossible to even get calls returned. If venture capitalists do respond and you are invited to present your idea, the process will drag on for many months while you borrow more and survive on hope. If you do hit the jackpot, you are required to let the investors make many of the business decisions in exchange for an investment.

To be fair, most business plans do not deserve funding. Venture capitalists receive hundreds of plans every week, and few are worth the paper they are printed on. Everyone jumps on the same new trend, or the ideas are so far out that they have no chance of success. And great ideas are not enough: it takes experienced management, excellent execution, and a receptive market. It is hard for even the best venture capitals to identify the potential successes.

So what should an entrepreneur do? What all new entrepreneurs should understand is that, even if you have a realistic business plan for a great idea that can change the world, you need to develop it yourself until you can prove it. Focus on validating your idea and building it up. Raise money to get started by begging and borrowing from family and friends. And be prepared to dip into your savings and credit cards, obtain second mortgages, and perhaps look for consulting work or customer advances. There is no single recipe for developing your business idea yourself, but there are some essential ingredients. Here are some pointers:

Consult widely

Share your ideas with those who have done it before. You can learn a lot from the experience of seasoned entrepreneurs, and they are much more approachable than you think. If you can not find anyone who is excited about your idea, the chances are it is not worth being excited about. This may be time to reflect deeply and come up with another.

Identify markets

Speak to anyone who can help you understand your target customers. If you can sell your concept, some customers may help you find it or agree to be a test site or a valuable reference. Customers do not usually know what they want, but they always know what they do not need. Make sure that there is a real need for your product.

Start small

Your idea may be grand and have the potential to change the world, but you are only going to do this one step at a time. Look for simple solutions, test them and learn from the feedback. If you are starting a restaurant, work for someone else first. If you are creating a software product, learn by doing some consulting assignments or create some utilities. You do not have to start with the ultimate product.

Watch every penny

Focus on revenue and profitability from the start. Find creative ways to earn cash by selling tactical products, prepaid licenses or royalties. Pay employees partially in stock. Look for access to free hardware or premises. And sweep the floors yourself. In short, use any methods to avoid costs.

Prepare for the worst

It is going to take longer than you think. There will likely be product problems, unhappy customers, employee turnover, and lots of financial challenges. You may even fail a number of times before

you achieve your goals. By learning from each success and failure alike, you increase the odds that you eventually make it.

Keep your integrity

Never forget the importance of business ethics and your own values. Ethics need to be carefully sewn into the fabric of any start-up. And the only way to reach long-term success is by achieving outstanding customer satisfaction.

With a lot of luck and hard work you may build a successful company that markets products customers really want. It is very likely that by this stage, you receive the phone calls from venture capitalists. This is the time to think of exit strategies and decide if you want to own a small piece of a big pie or a large piece of a small pie.

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| 1. Venture capital is a good source of funding for new businesses. | Yes | No |
| 2. Business schools give misleading advice on funding sources. | Yes | No |
| 3. Investors always respond promptly to funding applications. | Yes | No |
| 4. The process of obtaining funding will proceed at a fast pace. | Yes | No |
| 5. Venture capitalists have few good ideas to choose from | Yes | No |

Task 2. Fill the gaps in the following text with only *one* word in each space. There is an example at the beginning (15 points)

A Relaxing Holiday

Martha looked at her watch in a panic. They should have been on their way (0) to the airport by now. "George, it's time we _____ (1) going; if we don't get moving we're going to _____ (2) the flight". No sooner had she spoken the words than she wished she _____ (3) kept quiet. She knew George couldn't _____ (4) to be rushed. He had always liked to _____ (5) his time over everything. "Patience is a virtue", he was _____ (6) of saying and Martha had got used to _____ (7) around for George. "Martha", came the reply from the bathroom. "I _____ (8) you'd stop saying that and get on with the packing". She had been _____ (9) forward to this trip for months and now it _____ (10) time to set off for the airport and they were far from ready. _____ (11) only she had listened to Jenny's advice and chosen a holiday a bit nearer home. She couldn't _____ (12) flying anyway and if they had decided to _____ (13) a couple of weeks in the country they _____ (14) be nicely settled in their little cottage now. It would take _____ (15) half an hour to get to the airport and then they could expect to find long queues at the check-in counters. It was always the same hassle.