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## NEWSLETTER #15



# WHERE DO START-UPS GET MONEY?

01/10//2010

### SOME CONDITIONS OF PARTICIPATION

You are welcome to join our "Business English Tips" group. In the group you will be able to communicate with other people who learn English. You will share your ideas about learning and also study something new. To make the participation more complete, I invite you to take part in the discussions and, of course, work on the newsletter during the two weeks you have.

#### Here are some tips of participation in the discussions:



Be polite



Answer the questions directly and post only relevant information



Check your post before sending it (please don't reply to the e-mails. Create a new message when answering the discussion question from your e-mail address)



Be understanding and accept other people's positions



Remember that we all study, so don't correct or laugh at any mistakes



Enjoy the opportunity you have



P.S. I will be very glad if you could tell other people about this newsletter. It's free, it's professional and it's about English. I'm sure that a lot of people will be glad to use this opportunity. To invite your friends join our newsletter, please, ask them to write to the following e-mail address: [info@enrucafe.com](mailto:info@enrucafe.com)

## WHERE DO START-UPS GET MONEY?

Hello everyone,

Since money is the main concern of all enterprises as well as entrepreneurs, I thought it might be interesting for you to read an article about where start-ups actually get their money. The grammar section is dedicated to indirect questions, which are so widespread in business communication that it would be difficult to avoid this topic. All the rest sections of the newsletter will include brain teasers, a business story and a funny comic strip.

I hope you will enjoy this newsletter. Thanks for staying with me ☺ You will receive the next issue in a month.

Dariya Dziuba

### GRAMMAR: Asking questions

An ability to ask questions is essential for every kind of communication. Every time we ask questions, we find out information necessary and important for us, keep our conversation going or avoid answering some unpleasant requests. In business, however, questions are even more important than in any other sphere of our life. By asking a variety of questions, a consultant can discover real reasons for a company failure, a salesperson can find out what a customer wants and an employee can see what is required from him or her. However, the art of asking questions in business environment is different from the one in our everyday communication with friends and colleagues.

**Direct questions.** In general, you can ask two types of questions: **direct** and **indirect**. By asking direct questions you at once show the other person the point of your interest. For example:

- Have you ever been to the Seychelles?
- When does the train leave?
- What time does the meeting start?
- Where is the conference going to take place?
- Did they go on that business trip?

**Indirect questions.** Indirect questions are different. They usually consist of two parts:

<b>OPENING PHRASE</b>	+	<b>QUESTION</b>
I wonder Could you tell me Do you know I don't remember I'd like to know		if you have ever been to the Seychelles. when the train leaves? what time the meeting starts? where the conference is going to take place. if they went on that business trip.

As you can see from these examples, indirect questions usually have the following features:

- **They start with some opening phrase:** I wonder..., Could you tell me...?, Do you know...? etc.
- **The question part has a word order of a declarative sentence** (example: when the train leaves, not: when does the train leave?)
- **In case you ask 'yes/no' questions or the ones that start with an auxiliary verb (do/does/is/have...), you usually use 'if'** in the question part (example: if you have ever been to the Seychelles).

Let's study some examples and then you will practice.

*Direct question:*

- Do you have a lot of work?

*Indirect question:*

- I wonder **if** you have a lot of work.

*Direct question:*

- Have they returned yet?

*Indirect question:*

- Can you tell me **if** they have returned yet?

*Direct question:*

- What was her response?

*Indirect question:*

- Could you let me know what her response was?

Now, some practice for you.

**Exercise 1. Make indirect questions from the direct ones.**

1. When will this marketing crunch finish?

I wonder \_\_\_\_\_.

2. What are the perks of working for this company?

I would like to know \_\_\_\_\_.

3. When does the plane land?

Could you tell me \_\_\_\_\_?

4. How many people does the company employ?

Do you know \_\_\_\_\_?

5. When will you be promoted?

Does she know \_\_\_\_\_?

6. How does this photocopier work?

Please explain me \_\_\_\_\_.

7. Have you ever been to our Head Office?

I wonder \_\_\_\_\_.

8. How long has he been working for the company?

I don't remember \_\_\_\_\_.

9. Do you have good prospects in that plant?

I would like to know \_\_\_\_\_.

10. Are we going to cooperate with their team leader?

Could you tell me \_\_\_\_\_?

11. When does the meeting start?

Does he know \_\_\_\_\_?

12. Why did he stick to his guns?

I wonder \_\_\_\_\_.

13. Where can we have lunch here?

Please tell me \_\_\_\_\_.

14. Why do we need to send these letters?

Do you know \_\_\_\_\_?

15. Can I use the company car?

I don't suppose \_\_\_\_\_.

16. What is your mobile phone number?

I would be glad to know \_\_\_\_\_.

17. What time do the delegates arrive?

Could you tell us \_\_\_\_\_?

18. Is there going to be any reception organized for the guests?

Please let us know \_\_\_\_\_.

19. How are they going to introduce that new system?

Can you explain \_\_\_\_\_?

20. Where did I meet him?

I don't remember \_\_\_\_\_.

21. How can I give my feedback about your product quality?

Could you tell me \_\_\_\_\_?

22. Is it easy for you to catch up with all that work after your holiday?

I wonder \_\_\_\_\_.

23. When will she come back to work from her maternity leave?

Do you know \_\_\_\_\_?

24. Do they have a lot in common?

I don't suppose \_\_\_\_\_.

25. Can I change my timetable and make my working hours more flexible?

I would like to know \_\_\_\_\_.

### BRAIN TEASERS

At job interviews and at some business schools brainteasers are quite popular now. That is why I decided to include some of them into this newsletter. From now on you are going to find two brainteasers in every newsletter. Check the answers to the teasers at the end of the newsletter.\*

1) An 18-wheeler is crossing a 4 kilometer bridge that can only support 10,000 kilograms and that's exactly how much the rig weighs. Halfway across the bridge a 30 gram sparrow lands on the cab, but the bridge doesn't collapse. Why not?

The source: <http://dan.hersam.com/brain-teasers.html>

2) A completely black dog was strolling down Main Street during a total blackout affecting the entire town. Not a single streetlight had been on for hours. Just as the dog was crossing the middle line a Buick Skylark with 2 broken headlights speedily approaches his position, but manages to swerve out of the way just in time. How could the driver have possibly seen the dog to swerve in time?

The source: <http://dan.hersam.com/brain-teasers.html>

### SUCCESSFUL BUSINESS SKILLS: How to delegate

Carrie Birmingham

#### Effective Delegation at Work

Effective managers and leaders know that they can climb greater heights and achieve remarkable goals only if they delegate work to the good, able and talented people around them. The logic is simple – if they are able to rope in more brains and bodies to do the tasks, they are able to get more things done within the same time frame. Having these tasks out of the managers' hands will free up their time and allow them to concentrate on value-added jobs which befit their status and qualifications. The ability to delegate work is therefore a vital asset that all good leaders and managers should have. Other than time management, effective delegation of work may take the pressure off work stress and substantially improve the work life.

As we shall discuss, delegation is not about farming out work and forgetting about it altogether. For the delegation of work to be effective and to result in win-win situations, there are certain myths worth clarifying.



[Illus by Milo Winter]

#### Story: The Wolf and the Shepherd

A Wolf had been prowling around a flock of Sheep for a long time, and the Shepherd watched very anxiously to prevent him from carrying off a Lamb. But the Wolf did not try to do any harm. Instead he seemed to be helping the Shepherd take care of the Sheep. At last the Shepherd got so used to seeing the Wolf about that he forgot how wicked he could be.

One day he even went so far as to leave his flock in the Wolf's care while he went on an errand. But when he came back and saw how many of the flock had been killed and carried off, he knew how foolish to trust a Wolf as he exclaimed. "I have been rightly served; why did I trust my sheep to a Wolf?"

**Moral:** Delegate your task wisely, and only to people you trust.

**Lessons in life:** Companies have risen and fallen because they have entrusted the wrong CEOs and successors with the management duties. Many great family businesses had been ruined at the hands of the children or grandchildren who took over the helm, based on who they were rather than what they could do. When businesses failed, CEOs rightfully took the brunt. The people responsible for delegating the management duties should not be spared either.

A proper delegation should be viewed as a sharing of responsibility, and not a passing of the baton. When a leader assigns tasks to the other team members, it remains his responsibility to monitor and ensure that the members complete the assigned tasks. Along the way, when the members face difficulties and hurdles, the leader should step in to assist and advise. Of course, for any delegation to be effective, the leader must empower the members and confer on them a certain amount of authority and resources necessary for the tasks at hand. What we are saying is that the leader cannot assign all his functions, powers and authority, and still expect to be called a leader. He would be a consultant and not the person-in-charge.

A skillful delegation should therefore lead to a happy solution for everyone. The CEO has time to look at the overall direction of growth, strategic plans and policies of the company, while retaining the top spot and top salary. The deputy CEOs and departmental chiefs have the necessary powers and authority to run the show, and make decisions within their portfolio. The middle managers, supervisors and heads take charge of the day-to-day operational activities, and are empowered to make decisions within their scope of work.

Since delegating work plays such an important role for successful CEOs, why are most of them not doing it, or not doing enough? Why do we see CEOs attending to routine low-level tasks and even chairing meetings on totally operational matters? There are various reasons why we - CEOs, leaders and managers - avoid delegating our tasks and responsibility. Here are some reasons and the ways to get around them:

**1. Do not trust employees with the responsibility.**

Even the most skillful manager will have this nagging feeling that the person tasked with the job cannot carry it out in the way he wants. Maybe the manager is a perfectionist. If so, the problem lies with the manager having expectations that are too high and onerous. It could also be that the manager does not have a habit of giving clear instructions on what the task entails. Although managers should not have to resort to holding the staff's hands in every matter, it is always advisable to clearly define the tasks and leave no room for doubt. Ultimately, the questions that we should ask ourselves are these - If we do not trust the staff, why do we employ them in the first place? If they don't have the skill, why don't we send them for further training?

**2. Only we know best.**

While it is true that experience is what earn the managers their position, nobody can claim to be a walking encyclopedia on all matters. The workers doing the factory-line, front desk jobs day in and day out, are the only people who know the work and the problems faced at the back of their hands.

**3. Work faster on our own.**

If we have done a piece of work before, we can do it again faster and better. We can continue taking on the same assignment and after the hundredth time, we may complete it twice as fast. Think then, if we train another person to do it, will that person not be able to arrive at the same achievement over time? We are freeing up more of our time to do other work and duties, and on the whole, complete all our work in a much shorter time.

**4. We lose our control.**

How much control do we want? Are we really concerned about the process or the outcome? We can work with the employee to come up with a mutually agreeable process, but it is the outcome that we are targeting. By assigning the job, we risk losing control over the little bits of how the job is done although we can continue to maintain control over the important aspects of the job by spelling out the expected output and performance targets as well as quality control checks and standards.

**5. We lose our authority.**

This again depends on how you view the word "authority". We may not have direct supervision over groups of employees. They will report to their immediate supervisors. However, these supervisors are now under our charge, and our authority is in effect extended. It is akin to changing our authority from a parent to a grand-parent. In a typical family structure, the grandparent status is the most revered and respected.

**6. We lose credit and recognition.**

This is a sore point which most managers have. Assigning jobs means letting other people take the credit for jobs well done. Can this be true? If we believe in the concept of teamwork, won't the achievement of a team accrue to every team member, including the leader of the team? If our employees steal the limelight for an accomplishment, will some light not be thrown onto us as well for our good leadership and management? Good managers should also be professional enough to

acknowledge that the staff who do the work ought to get most of the praises. Nowadays, performance incentives are tied to the team and not individual efforts, and the people leading successful teams are those who are most valued.

**7. Employees are not committed.**

This is where the delegation skills come in. In explaining the tasks, managers should let the employees see how the tasks fit into the overall scheme of things. Let them know the expectations and rewards. Let the employees be the ones raising their hands to volunteer for and commit themselves to the project.

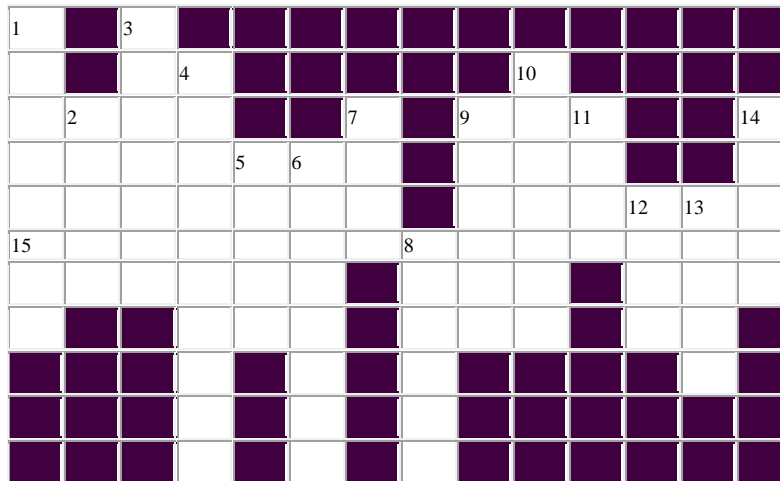
**8. We cannot keep track of developments.**

We mentioned that after parceling out the tasks, our duties do not end there. We have to continue to monitor the progress of the tasks. Usually, this is done by having reporting officers submit detailed status updates on what they have completed and how much of the work is outstanding. This will give us a gauge on whether the work can be completed on time. We are after all responsible for the final outcome and while we should not micro manage the work process, we should not lose track of its developments.

The source: <http://fairy-tales-fables-business.blogspot.com/>

**BUSINESS CROSSWORD**

Read the clues and write the words downwards in the puzzle. What are the two hidden words which go across the middle of the puzzle to make number 15? These words (7 and 7 letters) describe one influence on our business behaviour.



1. In Northern Europe, people feel comfortable when the ..... distance between them is about 75 cm.
2. .... subjects are ones which should be avoided because they may cause offence or embarrassment.
3. In Germany, people are addressed by their titles and .....
4. It is usefully to know what kind of clothes are ..... at business meetings in other countries.
5. In Britain, people ..... hands less often than in the rest of Europe.
6. It is important not to be late but to be ..... for a business meeting.
7. .... language is interpreted differently in different cultures. For example, crossing your arms in front of you means different things according to your culture.
8. A ..... is an established and habitual practice which is typical of a particular group of people.
9. A ..... is a ceremony which is often repeated in the same form.
10. A lot of people think that all Europeans have ..... attitudes but they are often very different.
11. In Japan it is very important to take a ..... when you visit colleagues.
12. A British businessman normally wears a ..... at a meeting.

13. Attitudes to business ..... are different. For example, in some countries short-sleeved shirts are not acceptable.
14. In Britain it is important to include ..... when making a presentation because a sense of humour is valued.

The source: <http://www.linguarama.com/ps/392-9.htm>

### BUSINESS STORIES AND TALES

#### Direct mail campaign

Some years ago a client engaged a consultant to help with a small postal mailing to the purchasing departments of blue chip corporations. The consultant sourced the list (which was provided on MS Excel) and drafted the letter. Thereafter the client was keen to take control of the project, i.e., to run the mail-merge and the fulfilment (basically printing, envelope-stuffing and mailing).

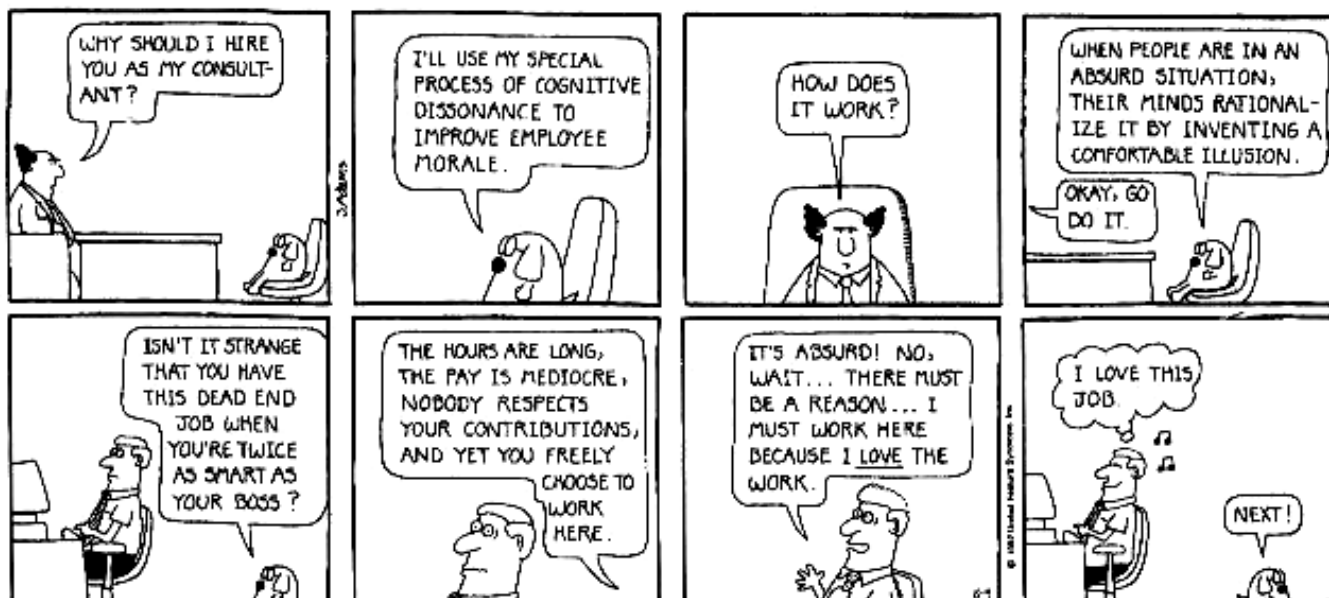
The consultant discovered some weeks later that a junior member of the client's marketing department had sorted the list (changed the order of the listed organisations in the spreadsheet), but had sorted the company name column only, instead of all columns, with the result that every letter (about 500) was addressed and sent to a blue chip corporation at another entirely different corporation's address.

Interestingly the mailing produced a particularly high response, which when investigated seemed to stem from the fact that an unusually high percentage of letters were opened and read, due apparently to the irresistible temptation of reading another corporation's mail...

The source: [http://www.businessballs.com/stories.htm#direct\\_mail\\_marketing\\_story](http://www.businessballs.com/stories.htm#direct_mail_marketing_story)

### BUSINESS COMIC STRIPS: JUST FOR FUN

Scott Adams



The source: <http://www.istheory.yorku.ca/cognitivedissonancetheory.htm>

### USEFUL EXPRESSIONS: Business Proverbs and Sayings

- Don't take life too seriously; you'll never get out of it alive.
- Don't throw the baby out with the bathwater.
- Don't try to walk before you can crawl.
- Doubt is the beginning, not the end, of wisdom.
- Dreams are not the ones which come when you sleep, but they are the ones which will not let you sleep.
- Each to his own taste.
- Education is a progressive discovering of our own ignorance.



- Empty vessels make the most noise.
- Even a broken/stopped clock is right twice a day.
- Even a dog can distinguish between being stumbled over and being kicked.

The source: <http://marketingdeviant.com/700-business-proverbs/>

## TEXT TO READ AND THINK ABOUT

### The \$48,000 Question

Janet Attard

*Where, exactly, do startups get their money? The answer may surprise you.*

Finding money to start a business isn't easy. It never has been, and let's face it, it never will be.

I know, because I've been on one side or the other of debt and equity transactions for more than 30 years. As a banker, I sat between the money and the companies that wanted it. Later, as a consultant, I helped entrepreneurs raise millions of dollars from angels, venture capitalists, government lenders and grant programs. Then, as a business owner, I bootstrapped, begged and borrowed my way from startup to cash-out on three different occasions. <...>

So for this, my first column, I thought it would be useful to look at how the millions of businesses that spring to life every year are actually funded. Certainly among the mass of data Uncle Sam collects about small businesses, there are facts about how they're funded.

Or not.

"I know it's hard to fathom," says William Dunkelberg, chief economist for the National Federation of Independent Business, "but the government simply doesn't track where small business--the engine that drives the nation's economy--gets its steam."

The last official study of startup financing was conducted in 2002--three years before YouTube made it possible to broadcast your most embarrassing moments to the world. Results from the Census Bureau's newest small-business study will be available any day now. Unfortunately, the "new" data was collected in 2007--before the recession, before the credit crunch, practically before the iPhone. <...>

Aside from timeliness, there are two fundamental problems with government data on startups.

The first lies in the definition of startup. Should it include those that haven't yet filed a tax return? Should part-time and hobby businesses be counted? Should sole proprietorships, partnerships and corporations be part of the same count? Depending on the definition, estimates of the number of new businesses started each year can range from 600,000 to 6 million.

The second problem is the definition of small. In government terms, a company with as many as 500 employees is a small business. That's almost two-thirds of all U.S. firms. Can Doggie Daycare Inc. really base its financing strategy on statistics and averages that include companies more than a hundred times its size?

Luckily, some private researchers are working to fill the knowledge gap. In 2005, a University of Michigan project managed by Paul Reynolds and Richard Curtin identified a group of 1,200 startups and tracked their progress annually, continuing through 2011. Here's what they've found so far:

- More than 80 percent of new ventures were funded by owner savings, personal loans and credit cards. In short, owner financing exceeded all other sources by a wide margin.
- About 17 percent of entrepreneurs received financial help from the folks who knew them, loved them or liked them.
- The average startup kitty was about \$48,000 (though the median was less than \$4,300).

So, while a quick man-on-the-street poll would likely point to the SBA, venture capital and angels as common sources of startup financing, they rarely are. Collectively, those sources fund less than 5 percent of the nation's budding businesses.

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### The First Six Years

The University of Michigan's Panel Study of Entrepreneurial Dynamics II has followed 1,200 startups since 2005. The study continues through next March but is already yielding some interesting tidbits:

- Each year about 12 million people try to start about 7 million ventures--that means more businesses than babies are conceived every year.
  - At the end of two years, there was no correlation between the amount of startup capital and success.
  - More than six years in, fewer than two in five startups report initial profits--worth noting if you're thinking about quitting your day job.
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In short, look no farther than the mirror for your most likely source of startup money. Good, old-fashioned bootstrapping--that's what kick-starts this nation's entrepreneurial engine.

*Kate Lister is a former banker, small-business investor and veteran entrepreneur. Her books and websites include Finding Money: The Small Business Guide to Financing and Undress For Success: The Naked Truth About Making Money at Home.*

The source: <http://www.entrepreneur.com/magazine/entrepreneur/2010/june/206598.html>

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### VOCABULARY TO THE TEXT

- **angel** (noun) – a person who provides financial support; *Ex. I was in a great need for money and turned to angels for help.*
- **venture capitalists** (expression) – people who invest money in different businesses, usually start-ups; *Ex. Venture capitalists liked our business idea and invested \$2,000,000 in our future enterprise.*
- **bootstrap** (verb) – to go from one place to another gathering money for something (you usually bootstrap when you borrow money from your relatives and friends); *Ex. Good old bootstrapping is a reliable way of funding one's own enterprise.*
- **spring to life** (expression) – appear; *Ex. Every year millions of new businesses spring to life all over the world.*
- **fathom** (verb) – understand, catch, comprehend; *Ex. It's hard to fathom how little we know about giant corporations.*
- **credit crunch** (expression) – credit freeze, when banks stopped giving credits; *Ex. It is hard to predict when the current credit crunch is going to finish.*
- **sole proprietorship** (expression) – private entrepreneurship who is a legal entity; *Ex. The fastest way to create a company in Ukraine is to open a sole proprietorship.*
- **kitty** (noun) – sum of money; *Ex. The average start-up kitty was about \$48,000.*
- **a quick-man-on-the-street poll** (expression) – quick survey conducted on the street when an interviewer comes to people and asks for their opinion about a certain question: "Who will be the President?", "What do you think about the new policy?" etc.; *Ex. The quick man-on-the-street showed that no one was satisfied by the actions of the new government.*
- **budding business** (expression) – a business which has good perspectives; *Ex. The government usually funds only budding businesses.*
- **tidbit** (noun) – a very interesting fact; *Ex. She told me some tidbits about her boss.*
- **conceive** (verb) – to cause, to begin; *Ex. Many businesses are conceived every year.*



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