

## A

**Business and businesses**

**Business** is the activity of producing, buying and selling goods and services. A **business**, **company** or **firm**, or more formally a **concern**, is an organization that sells goods or services. Large companies considered together are referred to as **big business**.

You can talk about a company or a particular activity as an **enterprise**, especially to emphasize its risk-taking nature.

Businesses vary in size, from the **self-employed** person working on their own, through the **small or medium enterprise (SME)** to the large **multinational** with activities in several countries.

A large company, especially in the US, is a **corporation**. The adjective is **corporate**, used to talk about a big company – or big companies in general. **Corporate** is often used in these combinations:

|                  |   |                     |  |
|------------------|---|---------------------|--|
| <b>corporate</b> | } | <b>culture</b>      | the way a company's employees think and act                    |
|                  |   | <b>ladder</b>       | the different levels of management in a company                |
|                  |   | <b>headquarters</b> | a company's main office  |
|                  |   | <b>logo</b>         | a symbol used by a company on its products, advertising, etc.  |
|                  |   | <b>image</b>        | all the ideas, opinions, etc. that people have about a company |
|                  |   | <b>profits</b>      | the money made by companies                                    |

## B

**Commerce**

**Commerce** is used:

- to refer to business in relation to other fields: 'literature, politics and commerce'.
- for government departments that deal with business: US **Department of Commerce**.
- in the names of organizations that exist to help business: **chambers of commerce**.
- to refer to business on the internet: **electronic commerce** or **e-commerce**.

The adjective **commercial** describes money-making business activities: for example, **commercial airline**, **commercial artist**, **commercial disaster**.

## C

**Enterprise**

In 1970s Britain, there were **state-owned** or **government-owned companies** in many different industries, such as car manufacturing. Some industries, such as coal and electricity, had been **nationalized** – they were entirely state-owned. In the 1980s, the Thatcher government believed that **nationalized companies** were inefficient, so many of them were **privatized** by selling them to investors. Supporters of **privatization** believed that **bureaucracy** – the system for running government departments, with its rigid rules and slow decisions – was not good for business: state-run companies were too **bureaucratic**.

**Enterprise** is used in a positive way to talk about business, emphasizing the use of money to invest in new activities with a certain amount of risk involved. **Enterprise** is often used in these combinations:

|                     |   |                   |  |
|---------------------|---|-------------------|--|
| <b>free private</b> | } | <b>enterprise</b> | business activity owned by individuals rather than the state |
|---------------------|---|-------------------|--|

|                   |   |                |  |
|-------------------|---|----------------|--|
| <b>enterprise</b> | } | <b>culture</b> | when people are encouraged to make money through their own activities and not rely on the government |
|                   |   | <b>economy</b> | an economy where there is an enterprise culture  |
|                   |   | <b>zone</b>    | part of a country where business is encouraged because there are less strict laws, lower taxes, etc. |

# Exercises

**11.1** Match the two parts of these sentences containing expressions from A opposite.

- |   |                          |   |
|---|--------------------------|---|
| 1 Managers who themselves often worked long hours in order to climb the corporate | <input type="checkbox"/> | a image by showing environmental leadership.  |
| 2 Analysts forecast a slowing of economic growth because of lower corporate       | <input type="checkbox"/> | b logo in view was the Haagen Dazs name on three table umbrellas.                         |
| 3 3M continues to improve its corporate   | <input type="checkbox"/> | c profits, capital gains taxes and slow job growth.                                       |
| 4 Retailer Best Buy is allowing employees at its corporate                        | <input type="checkbox"/> | d ladder may demand the same thing from their employees.                                  |
| 5 The only corporate  | <input type="checkbox"/> | e culture at Lowe's, and managers use a variety of methods to ensure that it's happening. |
| 6 Listening to customers is part of the corporate                                 | <input type="checkbox"/> | f headquarters to set their own hours and work outside the office.                        |

**11.2** Someone is talking about words and expressions in B and C opposite. Which are they referring to each time?

- 1 They're not companies in which people can buy shares. (3 expressions)
- 2 It carries passengers and goods in order to make a profit.
- 3 It's so slow and inefficient: no way to run a business!
- 4 It's going to be used for offices and factories, not houses.
- 5 It's owned and run by private companies, and the programmes are interrupted by advertising.
- 6 We need to encourage this in order for the economy to grow and modernize.
- 7 He does advertisements: you can't find his work in art galleries.
- 8 It was an artistic success, but unfortunately it lost a lot of money.

**11.3** Use expressions with 'enterprise' from C opposite to complete this text.

Margaret Thatcher often talked about the benefits of **(1)** ..... or **(2)** ..... She said that her achievement was to establish an **(3)** ..... in Britain, an economy based on free enterprise. She wanted a society where people were encouraged to start their own companies and where it was acceptable to get rich through business: an **(4)** .....

In some areas, the government reduced the number of laws and regulations to encourage businesses to move there. Businesses were encouraged to set up in the Docklands of London, for example. The Docklands were an **(5)** .....

## Over to you

Write short reports about the issues below. Research them on the internet if necessary.

- How big is the public sector in your country? Do people who work in it have good working conditions compared to those in the private sector?
- In your country, which of these industries are in the public sector, and which are in the private sector? Which have been privatized?

bus transport

electricity supply

postal services

rail transport

telephone services

water supply

## A

**Self-employed people and partnerships**

Oscar is a **freelance** graphic designer – a **freelancer**. He likes the freedom of working for himself. To use the official term, he's a **sole trader**.

People such as designers and journalists are freelancers (see Unit 7), whereas builders and plumbers are normally referred to as being **self-employed**.

Jane and Miranda are architects who have set up their own architecture **partnership**. A lot of professional people like lawyers, accountants, and so on work in partnerships. They are **partners** – there are no shareholders (see Unit 32) in the organization apart from the two of them.

Note

**Sole owner** and **sole proprietor** are both used in BrE and AmE. **Sole trader** is not used in the US.

## B

**Limited liability**

Jane and her partners have **limited liability**: if the partnership **goes bankrupt** – runs out of money – the people to whom the partnership owes money can take the company's **assets** to pay the debts, but they can't take personal assets such as the partners' houses or cars. It's a **limited liability partnership (LLP)**.

Jon Robertson is managing director and main shareholder of a small electronics company in Scotland called Advanced Components **Ltd**. 'Ltd' means **limited company**, with limited liability.

Howard Schultz is president of Starbucks **Inc**. 'Inc' stands for **Incorporated**. This shows that it is a **corporation** – used especially in the US for companies with limited liability, and also used in the UK in the names of some big companies.

Some British companies include **PLC** as part of their name. This means that the company is a **public limited company**, and its shares are bought and sold on the stock exchange (see Unit 36).



Howard Schultz

## C

**Mutuals**

Some companies like certain **life insurance companies** are **mutuals**. People buying insurance with the company are its **members** and there are no shareholders. Profits are theoretically owned by the members.

In Britain, there are mutuals called **building societies**, which lend money to people who want to buy a house. But a lot of building societies are changing into public limited companies with shareholders: many have **demutualized** in a process of **demutualization** (see Unit 35).

## D

**Non-profit organizations**

Organizations with 'social' aims such as helping those who are sick or poor, or encouraging artistic activity, are **non-profit organizations** (BrE) or **not-for-profit organizations** (AmE). They are also called **charities** and form the **voluntary sector**: they rely heavily on **volunteers** – unpaid workers. For example, a charity like Médecins sans Frontières is managed by paid professionals, and together they put a lot of effort into **fundraising** activities. These activities encourage people to give or **donate** money, clothes, food or time to help the organization. These **donations** are essential for the organization to do its work.

## Exercises

**12.1** Look at the words in A and B opposite. Which type of organization is each of these?

- 1 A group of engineers who work together to provide consultancy and design services. There are no outside shareholders.
- 2 A large British engineering company with 30,000 employees. Its shares are bought and sold on the stock market.
- 3 An American engineering company with outside shareholders.
- 4 An engineer who works by herself by providing consultancy. She works from home and visits clients in their offices. (3 possibilities)
- 5 An independent British engineering company with 20 employees. It was founded by three engineers, who are shareholders and directors of the company. There are five other shareholders who do not work for the company.

**12.2** Complete this newspaper article with expressions from C opposite.

**NEWSONLINE**

Home News World Business Food Technology Science

**Angry scenes as members reject (1) .....**

There were angry scenes at the Suffolk (2) ..... 's annual meeting as the society's (3) ..... rejected by two to one a recommendation from its board that the society be (4) ..... . Members had travelled from all over the country to attend the meeting in London. The Suffolk's chief executive, Mr Andrew Davies, said, 'This is a sad day for the Suffolk. We need to (5) ..... to bring the society forward into the 21st century. Our own resources are not enough and we need capital from outside shareholders.'

Gwen Armstrong, who has saved with the Suffolk for 32 years, said, 'Keeping (6) ..... status is a great victory. Profits should stay with us and not go to outside shareholders.'

Comment Like

**12.3** Match the sentence beginnings (1–5) with the correct endings (a–e). The sentences all contain expressions from D opposite.

- |   |                          |   |
|---|--------------------------|---|
| 1 British people donate around £4 a week each on average to charities | <input type="checkbox"/> | a with loss-making companies!                             |
| 2 She organized fundraising   | <input type="checkbox"/> | b and many volunteer to give their skills too.            |
| 3 Voluntary sector employees earn five to ten per cent                | <input type="checkbox"/> | c parties for the charity.                                |
| 4 Non-profit organizations are not to be confused                     | <input type="checkbox"/> | d when they are helping people in their own social class. |
| 5 Research shows that volunteers give the best service                | <input type="checkbox"/> | e less than they would in the private sector.             |

### Over to you

Which non-profit organizations are well-known in your country? What do they do? How do they raise money?