

# A business start-up

In the world of business, the word ‘**start-up**’ has widened its original meaning of a company just getting off the ground to define a type of entrepreneurial venture that is technology-oriented, with a fast and high growing potential and which is designed to deliver innovative products and services under conditions of extreme uncertainty.

Start-up companies can come in all forms and sizes and are co-founded by a team of talented entrepreneurs with innovative ideas and enthusiasm, willing to invest time and energy and always looking for funding. Investors are, indeed, generally attracted to these new companies distinguished by their strong co-founding team, risky profile and scalability. Successful start-ups are, in fact, more scalable than an established business, in the sense that they have the potential to grow rapidly with a limited investment of resources.

A start-up is:

- **innovative**, not necessarily in the products offered, but above all in the way they suggest different solutions or opportunities to use or distribute them, or because they simply bring a product or service to a new location or underserved area;
- **fast-growing**, in order to have a significant impact on the market to disrupt existing companies or create new ones;
- **precarious** and **uncertain**, because the risk margin is unknown and inherent in any innovation.

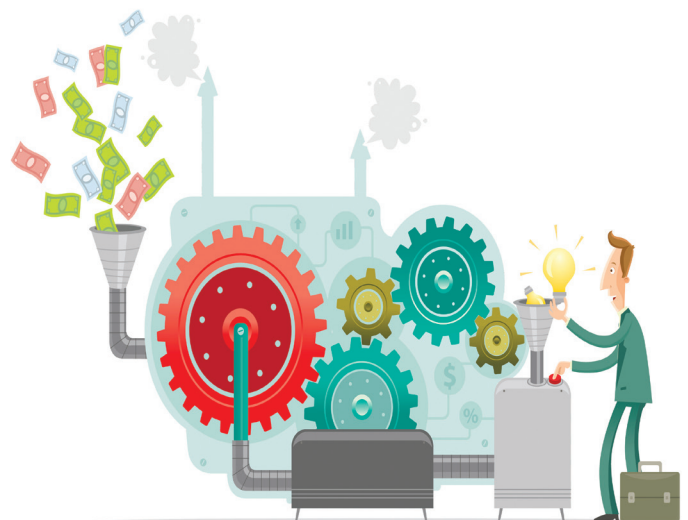
Like any other small business, start-ups are set up with the founders’ initial capital (known as **bootstrapping**) or with a bank loan. Then, depending on their success, they may also receive extra funding from **venture capital firms** or from the so-called “angel investors”, who foresee revenues from their investment in the start-up and provide capital at a risk, in exchange for ownership equities. Other



funding opportunities include various forms of **crowd-funding**, which means raising money from a large number of people usually gathered via the internet, or **equity crowd-funding**, which is the online offering of private company securities to a group of people for investment.

The most successful start-ups are found in the following sectors:

- fashion
- social
- education
- food
- sport
- healthcare
- financial technology (fin-tec).





**1 Say if these statements are true or false. Then correct the false ones.**

1. Any company that has just started its activity on the market can be called a start-up.
2. Start-ups are uncertain business activities because they grow slowly and their success can be seen only in the long run.
3. Groundbreaking ideas are the essence of start-ups.
4. Innovation always means success and high revenues.
5. The co-founders of start-ups share talent, motivation and a lot of disposable income.
6. Investors are never keen on investing in start-ups because they're risky.
7. The success of a start-up only depends on the originality of the products they offer consumers.
8. Start-ups do better and more quickly than competitors on the market.
9. The co-founders of start-ups seldom look for funding.
10. Angel investors trust the start-up.

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**2 Read the text and fill in with the correct word. Then, listen and check your answers.**

set up ■ governments ■ non-profit ■ etiquette ■ industries ■ legal ■ loans ■ unemployment ■ food ■ tech ■ problems ■ funding ■ help ■ sector ■ business ■ incubator ■ agricultural ■ training ■ assistance ■ skills

**What Are Start-up Incubators or Accelerators?**

A start-up incubator is a collaborative programme designed to **1.** ..... new start-ups succeed. Incubators help entrepreneurs solve some of the **2.** ..... commonly associated with running a start-up by providing workspace, looking for **3.** ....., mentoring, and training. The sole purpose of a start-up **4.** ..... is to help entrepreneurs' businesses grow. Start-up incubators are usually **5.** ..... organisations, which are usually run by both public and private entities. They are often associated with universities and some **6.** ..... schools and also allow their students to take part in these programmes. There are several other incubators, however, that are formed by **7.** ....., civic groups or successful entrepreneurs. While most of the media emphasis focuses on **8.** ..... start-ups, incubators aren't just limited to this industry. In fact, their focus varies according to the kind of industrial **9.** ..... in each region of a country: in the USA, for example, North Carolina, which is mainly an **10.** ..... area, is home to five incubator farms, whereas NYC is home to several incubators for both **11.** ..... and fashion, given the strength of its restaurant and fashion **12.** ..... It is curious to remember that the first start-up was **13.** ..... in 1959 in the state of New York (The Batavia Industrial Centre) and it was founded in response to Batavia and NY's high **14.** ..... rate and as a way to repurpose a vacant industrial building. Here is a list of the most common services provided by business incubators:

- help with business basics, **15.** ..... programmes and networking opportunities;
- accounting/financial management and marketing **16.** .....
- access to bank **17.** ....., funds or to angel investors;
- help with presentation **18.** ..... and business **19.** .....
- intellectual property management and **20.** ..... counsel.



**3 Listen to six start-up founders and match their name to the advice they give.**

Tim Westergren ■ Dan Cristo ■ Edmond Lau ■ Phineas Barnes ■ Peter Berg ■ Jared Jim

1. Recruit and select qualified staff .....
2. Never neglect oneself .....
3. Never stop learning .....
4. Be patient .....
5. Learn public speaking .....
6. Choose the right co-founders .....
7. Look for growth in your job, not just convenience .....
8. Don't be afraid of changes .....