

Taylor's Business English Podcast

Starting a Business - Episode 12

I'm going to open a computer repair shop and I've gone for a meeting with an business planning adviser who helps people start small businesses. Omar is my advisor.

Omar) OK Dave tell me about your plan and we'll see how we can help you.

Dave) I'm going to open a computer repair shop in Gijón.

Omar) Oh. Great. Have you done a **market study**?

Dave) Yes I've found out the what the other companies in this sector offer and the prices and I think **I know where we should position ourselves**.

Omar) Ok, fantastic. What's your idea?

Dave) Well the others charge a minimum of 35€ per repair and then around 40 to 60 € per hour that they work on the machine plus they add 15 to 20% on top of the cost from the parts. We're going to be cheaper so we'll get the business.

Omar) Being cheaper is a valid business plan but there's often a reason why companies charge what they do. Often you find that companies that charge less than the competition **go out of business because they aren't profitable enough**.

Dave) Hmm. OK. But we'll get more business if we're the cheapest won't we?

Omar) Not necessarily. And even if you do, with less profit you'll have to work twice as hard as the other companies for the same result. I'm not saying that you can't be the cheapest but you don't have to be the cheapest to get business. Many people won't choose the cheapest option because they think the service will be bad or that they're not trustworthy.

Dave) OK. I see what you mean.

Omar) How about the investment? Have you got some money to start the business with or **will you be looking for investors or taking a bank loan?**

Dave) I've got 4000€ saved so that should be enough for a start. I haven't done a proper economic plan though. I thought you'd be able to help me with that.

Omar) That's good that you've got some money saved but the initial investment in any business will usually be more than 4000€ especially if you need a **proper business space**. Will you be getting a **place with a shop front or a warehouse in an industrial estate?**

Dave) Definitely a shop. And we're going to put.....

Vocabulary and expressions

- market study
- I know where we should position ourselves
- go out of business because they aren't profitable enough
- will you be looking for investors or taking a bank loan?
- a proper business space
- a place with a shop front or a warehouse in an industrial estate?