

margins or value to the company, very quickly you're going to run into difficulties, because you're encouraging the salesman to keep making sales, whatever the cost to the company. And that's precisely what happened in the sub-prime crisis. Because the banks had become corporations, and bankers had become salesmen driven by massive bonuses, they kept on authorizing risky loans and mortgages, knowing that if people defaulted, all the risk would be borne by the shareholders, not by them. The worst that could happen to them was that they could lose their jobs and retire happily on the millions they had already earned.

- I:** In your industrial example the company goes bust, and the market regulates itself and stops paying salesmen on that basis.
- B:** That's right. Unfortunately, in banking, we can't afford to let banks go bust because the whole economy would break down, so taxpayers, i.e. you and me, have to bail them out. Which is why we need regulation to make sure that kind of conflict of interest can't happen.

7.2 Vocabulary Investment choices

 2:25

Right then ladies and gentlemen, you're going to be thankful that you came along here today. From what I can see, there's a lot of different age groups among you – some more mature ladies and gentlemen if I may say so, rich in experience, quite a few younger ones here, and it looks like one or two teenagers even.

What I want to emphasize to you all today is the importance of investment. The younger ones among you may not want to think about it, but retirement is going to come your way one day, oh, yes, 'the eighth age of man' as they say, it won't go away. And the earlier you start investing for your retirement, the richer you'll be when you retire. It really is something that you can't start doing early enough, the more mature customers amongst you will back me up on that one, won't you?

So, what can you do to make sure you have enough money to see you through your retirement? You may have heard all sorts of investment advice, both good and bad, ranging from topping up your pension pot to buying bottles of vintage wine. And who exactly is going to buy a load of wine years from now? Don't ask me. Well, you may have heard that you should build up a diversified portfolio, all sorts of different investments in different kinds of products, in different currencies even. And I won't disagree with that advice. I know it's going against the herd instinct these days, but investing in different currencies is going to offer you that buffer against market volatility, a bit of protection against the ups and downs of the market.

Ladies and gentlemen, more than anything I would recommend adopting a defensive investment stance to do just that. I reckon if you invest in several currencies you'll actually reduce your overall risk – ever heard of putting all your eggs in one basket? I thought so: all your money in one currency and if it goes down, well, you don't need an expert like me to tell you which way your investment is going to go.

So where was I? Market volatility. Whilst you can't prevent the markets going all over the place what you can do is go for property, ladies and gentlemen, which is why I'm here, as a representative of Properties To Die For Limited. Investing in property means putting your money in bricks and mortar. They're a sure-fire investment, believe me. People are always going to have to live in houses, and the world population is going up and up, so you'll easily find someone to rent your properties out to. The thing is, other property investments you might see here today, charge what you might call a 'premium price'. They're a rip-off in the language of you and me. Now, with Properties To Die For Limited you know where you are. What you see is what you get, fantastic properties that you would actually die for. None of that lack of transparency you'll find if you wander across the floor to one of our lesser rivals. We can offer you prime properties in Spain, in Portugal, in Bulgaria, in Turkey, in the US, you name it. I said 'you name it' – I didn't hear you say anything.

If you don't trust us, all you need to do is ask one of Properties To Die For Limited's valued clients. Do you know I've even seen Felicia Turner here? Well, between you and me she's bought one or two of our plum properties already. That's Ms Turner's retirement sorted. And she's very pleased with what we've sold her so far ...

7.3 Grammar Inversion and emphasis

 2:26

Well, good morning ladies and gentlemen and thank you for inviting me to talk to you. What I particularly want to talk about today is investment, or to be more specific, ways of finding investment to fund new business ideas. The reason for wanting to focus on this is mainly because what we've found over the years is that the philosophy that's been traditionally taught in business schools, which you could simply say is: write a brilliant business plan, raise \$2 million, hire some very expensive executives, doesn't actually work for most of us. Were the business schools to focus on the alternative approach, which I'm going to tell you about, business entrepreneurship would be quite different. I do want to emphasize at this point that I'm speaking from the point of view of the person seeking investment, in other words, the person with the idea for a new business plan. Indeed, the perspective of the investor is quite different.


So, to start off. For most of us aspiring entrepreneurs: you've got a good idea but really no track record so you've really got to do everything yourself. Should you have access to a huge amount of money, you're laughing, but unfortunately most of us don't.

When you're talking about investment there are really two types of investment. There's the financial investment, that you need to, you know, buy a computer, build some code, but more important is what you might call intellectual investment – how do you find a group of partners that you actually work with together and actually build something and bootstrap it into existence? Under no circumstances should you go it

alone – you won't succeed. What you need above all, before getting your hands on any investment money, is a core group of people to complement your own skills. For example, if you want to build a social networking site, you might have a brilliant idea, say to build one for the fashion industry.

However, if you can't program then the first thing you need to do is to find a programming wizard so that you can do this. No sooner do you start doing something on the Internet than you need a lawyer. So where can you find an e-commerce lawyer to help you who's prepared to work for equity in the future company? Basically, you haven't got the money to, well, pay anybody, so instead you offer equity. What you're doing is putting together a credible team. Indeed, you're looking for people that can do everything. Not only do you need programmers and lawyers, but also people who can market and sell, people who know about your target market. Only then do you have a credible team and you can actually build something. What investors want to see is what they call traction. They want to see that you've got some customers already. You're on the ground, you've already started and you're ready to go.

7.4 Management skills Decision-making

 2:27-2:30

1

Yann: OK, so what conditions would we need to satisfy to find the ideal solution?

Bernard: Climate for one: production start having problems when the temperature hits 30°, so Nice is out of the running for a start, unless we splash out on an air-conditioned production unit.

Claire: Bernard, that's not fair! OK, high temperatures are inconvenient, but they're hardly a make or break factor. We need to draw a distinction between essential requirements and desirable characteristics.

Y: Point taken, Claire, but don't worry, we'll come to weighting in a moment.

B: Communications have to be our number one concern.

Y: OK, but can we quantify that more specifically? In numbers?

B: Sure. Distance from the airport, railway station, motorway; number of international flights per day ...

2

Y: All right, some of us have another meeting scheduled at five, so let's get on. What are the options for the new factory?

B: Lyon, period. It has the best communications, and that's our priority. It stands to reason.

Y: Hold on a minute, Bernard; we want to do this scientifically, OK? Let's consider all our options; can we draw up a list?

B: OK – I suppose Lille and Nantes also have to be considered.

Y: Right; so we have Lyon. Lille and Nantes. Does that cover everything, or are there other avenues we should explore?

C: Well, I still feel we shouldn't leave Nice out of the equation. OK, it'll be expensive, but it's a very attractive location for the workforce.