



DARIYA DZIUBA

NEWSLETTER #12



HOW TO LOSE MONEY FAST: OPEN A BUSINESS

09/04/2010

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

HOW TO LOSE MONEY FAST: OPEN A BUSINESS

Hello everyone,

This issue is dedicated to business problems and this time you are going to read an article on how opening a business can help you lose your money. However, the main idea of the article is not to persuade you that setting up a new company is connected to losing money, its main purpose is to show different sides of a new business venture. In addition, we will discuss Present Perfect, some tips on writing covering letters, and you will find a usual portion of 10 business proverbs. This issue has some new sections, which did not appear in previous newsletters. These include: **brain teasers** (some puzzles for you to solve with the answers at the end of the newsletter); **business stories and tales**; and **business comic strips**. These sections will be found in further newsletters as well.

I hope you will enjoy this newsletter. Thanks for staying with me! I will deliver the next issue to you in a month.

Dariya Dziuba

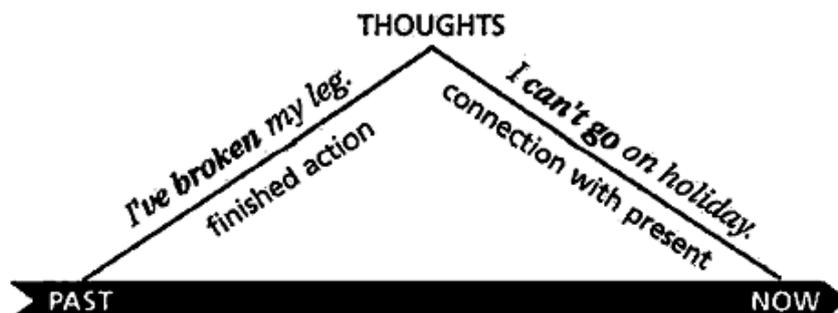
GRAMMAR: Present Perfect

There is a saying between English language students: "If you can master Present Perfect, you can learn everything!" This tense is not very difficult but complex explanations of it make some people doubt if they can use Present Perfect in their everyday communication. The truth is – there is nothing difficult about Present Perfect. However, you will really need some practice to use it accurately and fluently in your speech. So, let's start and you will see yourself that Present Perfect is as easy as a pie!

The concept of this tense is very simple – **use it when you are speaking about the present result of some past actions**. For example:

- ✓ I **have forgotten** my keys. (the result – my keys are at home now and that is why I don't have them with me)
- ✓ I **haven't taken** my keys. (the result is – I don't have any keys with me)
- ✓ I **have lost** my keys. (I haven't left my keys at home and I don't have my keys, so, probably, I have lost them)

So, remember that in general we use Present Perfect when we speak about some actions, which started in past and which have certain results in present.



Let me give you some more examples to illustrate that point:

- ✓ I **haven't read** this book. (The result: I don't know what this book is about)
- ✓ She **hasn't called** him today. (The result: she doesn't know anything about his plans)
- ✓ We **have passed** our exams. (The result: We can continue our studies)

In general, I'd advise to use this tense when we speak about our **experience, achievements, completion of some actions and, in general, about everything that has importance for us today but happened in the past**. For example:

- ✓ I **have known** him since my childhood. (We know each other for a long time)
- ✓ He **has opened** his own business. (Now he has a company)
- ✓ They **have employed** me. (They have a new employee now)
- ✓ I **have completed** that difficult project. (I can do now something different)

How Present Perfect's formed

AFFIRMATIVE. Active form of the verb (passive will be discussed after we deal with all tenses in

our newsletters).

HAVE/ HAS – VERB + ED
HAVE/ HAS – VERB III (SEEN, DONE...)

- **I/we/you/they/plural – have...** (worked/ lived/ slept/ watched...)
Example: I have received your e-mail. They have met the deadline.
- **He/she/it/singular** (a colleague, a manager, an employer...) **has done...**
 (worked/lived/slept/watched...)
Example: She has learnt a lot this week. He has just come.

As you might have noticed, after the verb “**have**” we always use verbs in the third form (this is called “**past participle**”), which is formed by ending **–ed** to regular verbs or by the third form of the verb from the table of irregular verbs. Please pay attention at the changes that happen when we add ending **–ed** to the verb:

- If a verb ends with **y** after a consonant, remember to change **y** into **i**. *Example: study – **studied**, try – **tried**. But: play – played (because there’s no consonant before y).*
- If a verb has one vowel and one consonant after it, double the consonant. *Example: hop – **hopped**, stop – **stopped**.*
- If a verb ends with a mute “e” (“e” that we don’t read), this letter drops out. *Example: bake – **baked**; create – **created**.*

Attention! If you add **–ed** after the sounds / **t** / and / **d** / read the ending as / **id** /. In the rest cases read it as / **d** / after vowels and voiced consonant sounds: / **m** /, / **b** /, / **n** /, / **ŋ** /, / **g** /, / **l** /, / **z** /, / **ð** /, / **v** /, / **w** /, / **r** /, / **ʒ** /, / **dʒ** / or as / **t** / after voiceless consonant sounds: / **p** /, / **s** /, / **θ** /, / **f** /, / **k** /, / **h** /, / **ʃ** /, / **tʃ** /.

NEGATIVE SENTENCES.

It’s very easy to form negative sentences in Present Perfect. All you need to do is to put the particle “**not**” after the verb “**have**” (have/has). *Example:*

- She **has not known** him.
- They **have not seen** each other for ages.

INTERROGATIVE SENTENCES.

When you want to form questions, put the verb “**have**” (have/has) before the subject. *Example:*

- **Have they written** about their project?
- What tasks **has he completed** so far?

NOTE! Present Perfect is often used with the following time indicators: **ever**, **before**, **recently**, **just**, **already** (in positive sentences), **yet** (in negative and interrogative sentences), **since** (some time), **for** (some time) etc.

Exercise. Put the verbs in the correct form.*

1. The board of directors _____ (involve) a lot of people into new policies’ discussion.
2. Introduction of new equipment _____ (not, enhance) employee’s performance.
3. Why _____ (you, make) so many mistakes in so small report?
4. A lot of changes _____ (happen) at our company recently.
5. _____ (you, change) your position about my offer?
6. Why _____ (you, make) such a judgement about him?
7. One of my colleagues _____ (recently, be) promoted.
8. She _____ (not, give) an answer yet, but I think she will do it soon.
9. How _____ (you, cope) with problems at your work?
10. Our company _____ (buy) up all office centres in this district.

11. She _____ (not, complete) the task in time and she has to work late today.
12. Our partners _____ (reject) our offer without any hesitation.
13. _____ (you, launch) a new product yet?
14. They _____ (not, come) to sign that contract.
15. The company management _____ (fire) the majority of the company employees.
16. What _____ (you, do) to reduce production costs?
17. The programmers _____ (not, develop) a new security system yet.
18. They _____ (negotiate) a crucially important deal for their company.
19. The salespeople _____ (not, achieve) the expected sales level.
20. Why _____ (we, set) an unrealistic objective so that we could do everything in time?
21. We _____ (not, start) our new motivation programme.
22. How long _____ (you, know) each other?
23. He _____ (crash) the corporate car and he will have to pay a fine.
24. We _____ (achieve) quite good results due to using new technology at our plant.
25. _____ (you, decide) yet where to shift your production?
26. Unfortunately, we _____ (not, meet) the deadline and as a result we have a cancelled project now.
27. Not everyone _____ (vote) for changes.

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.

1) Four women, Louise, Lise, Carole and Lily are seated at a table. They are chatting about their holidays. They went to California, Texas, Florida and Arizona riding a lion, tiger, zebra and a pony.

- Hints:**
- 1 - The woman riding the zebra did not smoke.
 - 2 - Carole declared that she loved Miami.
 - 3 - The woman riding the tiger had a cigarette with Lily.
 - 4 - Louise said: "Buy your pony a new saddle, Carole. I saw some during our trip to California?"
 - 5 - The woman riding the tiger mentioned that she had seen the Alamo in Texas.
 - 6 - Lise was a chain-smoker.

Question: What are the destination and method of transportation for each woman?

2) A man transports a fox, a duck and corn in a boat. The boat is only capable of transporting himself and one of the other three with each crossing.

Question: How did he succeed in crossing them all without letting the fox eat the duck or the duck eat the corn?

Source: <http://www.pedagonet.com/brain/brainers.html>

HINTS ON BUSINESS WRITING: How to write a cover letter

Some information about cover letters.

It is never enough to send just a resume to your potential employer. Remember to include a cover letter to accompany your resume. A cover letter is a letter of introduction to an employer, which is used to formally submit a resume for employer to review. The purpose of the cover letter is to identify your intent to "apply for" or "seek out" a specific position within a company. It also formally presents you as available for a job position or range of positions within a company. The cover letter presents an opportunity for you to introduce yourself, motivate the hiring manager to read your resume and invite you to a job interview. I'd advise to write a cover letter in the body of your electronic message and attach

the resume to your e-mail.

What should your cover letter do?

Every cover letter should:

- demonstrate to the employer your interest in and knowledge of the company;
- explain why you are suitable for the position: your experience, knowledge, education (in a very brief way);
- give additional information that is not included into your CV;
- explain any personal circumstances or anomalies in your application.

What will your prospect employer want you to include into your cover letter?

- Briefly introduce yourself, state the post you are applying for and where you saw it advertised. For a speculative letter, specify the type of work you are looking for.
- Explain why you are interested in this type of work and show an understanding of what it is likely to involve.
- Explain why you are interested in working for this particular employer. Demonstrate enthusiasm and evidence of research into such aspects as their successes, involvements, values or clients.
- Highlight what makes you suitable for this position. Provide evidence of your key strengths by referring to experience listed on your CV. Aim to show that your key strengths reflect their requirements.
- Take the opportunity, if necessary, to explain any anomalies in your background, such as time gaps or ways in which you do not match the selection criteria. Perhaps explain how any hurdles you have encountered have helped you develop in a positive way.
- If the role and organisation are creative, you should reflect this in your writing style. If the organisation is formal, you are more likely to be successful if you write a formal covering letter.
- Ensure there are no errors and spelling mistakes and that you have written the addressee's name correctly.
- Respectfully request an interview or an opportunity for an informal discussion.

Remember, however, that though you need to describe so many points in your cover letter, it should be short. It should be no more than 1 page long and should include no more than 4 paragraphs (one for introduction, two for describing the main information about you and your skills, and one for conclusion).

What makes a good cover letter?

- **No spelling or typing errors.**
- **Address it to the person who can hire you.** If you can find out (through networking and researching) exactly who is making the hiring decision, address the letter to that person. Be sure the name is spelled correctly and the title is correct. A touch of formality is good too: address the person as "Mr.," "Ms." (is very common in addressing both married and single women; is used instead of Mrs. And Miss in order to avoid possible mistakes), "Dr.," or "Professor."
- **Write it in your own words.** Employers are looking for knowledge, enthusiasm, and focus.
- **Show that you know something about the company and the industry.** It will help you make it clear that you didn't pick this company out of the phone book. You know who they are, what they do and *you* have chosen them!
- **Use terms and phrases that are meaningful to the employer.**

This material was compiled by using the following resources:

- <http://www.resume-resource.com/covers.html>
- http://www.prospects.ac.uk/cms/ShowPage/Home_page/Applications_CVs_and_interviews/CVs_and_covering_letters/Covering_letters/pljFdaLl
- http://www.quintcareers.com/cover_letter_samples.html

Cover Letter: Example for accountants**From:** xxxx@xxx.com**To:** xxxxx@xxx.net**Subject Line:** Store Manager Position - Your Name

Dear Mr. Smith,

I am actively seeking an Administration opportunity in a demanding, fast-paced multi-tasking office. I am writing to introduce myself to you as a Senior Officer in Regional Inc. I'm responding to your Advertisement in the Local Employment News for want of a Sr. Administrator on various levels.

As you can see in the enclosed resume, I have a very strong background combined with over five years of work experience in execution and implementation. My recent Internship at Major Accounts Inc., New York, allowed me to further develop and strengthen my technical skills. Throughout my career I have demonstrated for my employers an exceptional facility for meeting organizational objectives and demands. I believe that I could make a significant and valuable contribution in your firm.

I would appreciate the opportunity to discuss how my experience will be helpful to you. I will be contacting you tomorrow morning on phone to talk about the possibility of arranging an interview. Thank you for your time and consideration.

Sincerely,
Richard Anderson

Enclosures:

1. Resume - myresume.doc
2. Letter of Appreciation by Manager, Admin., Regional Inc. - appletter.doc

The sample taken from: <http://www.bestcoverletters.com/>

BUSINESS STORIES AND TALES***The gardener's badge story (positive thinking, attitude, seeing the good side)***

A landscape gardener ran a business that had been in the family for two or three generations. The staff were happy, and customers loved to visit the store, or to have the staff work on their gardens or make deliveries - anything from bedding plants to ride-on mowers.

For as long as anyone could remember, the current owner and previous generations of owners were extremely positive happy people.

Most folk assumed it was because they ran a successful business.

In fact it was the other way around...

A tradition in the business was that the owner always wore a big lapel badge, saying **Business Is Great!**

The business was indeed generally great, although it went through tough times like any other. What never changed however was the owner's attitude, and the badge saying **Business Is Great!**

Everyone who saw the badge for the first time invariably asked, "What's so great about business?" Sometimes people would also comment that their own business was miserable, or even that they personally were miserable or stressed.

Anyhow, the **Business Is Great!** badge always tended to start a conversation, which typically involved the owner talking about lots of positive aspects of business and work, for example:

- the pleasure of meeting and talking with different people every day
- the reward that comes from helping staff take on new challenges and experiences
- the fun and laughter in a relaxed and healthy work environment
- the fascination in the work itself, and in the other people's work and businesses
- the great feeling when you finish a job and do it to the best of your capabilities
- the new things you learn every day - even without looking to do so

- and the thought that everyone in business is blessed - because there are many millions of people who would swap their own situation to have the same opportunities of doing a productive meaningful job, in a civilized well-fed country, where we have no real worries.

And so the list went on. And no matter how miserable a person was, they'd usually end up feeling a lot happier after just a couple of minutes listening to all this infectious enthusiasm and positive approach.

It is impossible to quantify or measure attitude like this, but to one extent or another it's probably a self-fulfilling prophecy, on which point, if asked about the badge in a quiet moment, the business owner would confide: **"The badge came first. The great business followed."**

<http://www.businessballs.com/stories.htm#the-gardener%27s-badge-story>

BUSINESS COMIC STRIPS: JUST FOR FUN

Scott Adams



The example taken from: <http://www.dilbert.com/strips/?Page=833>

USEFUL EXPRESSIONS: Business Proverbs and Sayings

- Chance favours the prepared mind
- Charity begins at home
- Clothes don't make the man
- Corporations have proven that crime does pay, and pay very well for a long, long time
- Courtesy costs nothing
- Cut your coat according to your cloth
- Desperate times call for desperate measures
- Dig the well before you are thirsty
- Divide and rule
- Do not fear going forward slowly; fear only to stand still

TEXT TO READ AND THINK ABOUT How to lose money fast: Open a business

Marti Benedetti

December 18, 2009

DETROIT (CNNMoney.com)

P.J. Ryder knew making the rock club he bought a financial success was going to be a challenge. But he didn't anticipate that two years after opening, P.J.'s Larger House would still not be profitable.

"I had hoped it would happen after a year, but people told me not to expect anything for a while," says Ryder, 55.

Being your own boss sounds great -- until the bills start rolling in. At P.J.'s, that means \$3,000 a month for rent. Another \$7,000 for booze. Repairs and insurance typically eat up more than \$1,000. Just keeping the lights on and the water running is \$700.

The magic number is \$26,370. That's the average monthly cost of keeping the club open. You have to sell a lot of PBR (\$1 a can on Monday nights) to hit that target.

After two years of investment, Ryder is finally reaching the payoff point. "I can see light at the end of the tunnel," he says. Located in Corktown, just a few blocks west of downtown in one of Detroit's oldest neighborhoods, the bar has been steadily building up its sales and closing the monthly budget gap. Ryder thinks it's finally about to cross over into the black: "I can see where it is beginning to smooth out." In a city with an unemployment rate hovering near 30%, entrepreneurship is an alluring career option. Can't find a job in your field? Create one.

But as Ryder's experience illustrates, it's not for the squeamish. Ryder has sunk hundreds of thousands of dollars and two years of round-the-clock labour into building his dream club. He continues to work for free.

And it's not his first business venture. After graduating from the University of Michigan, Ryder joined with a few partners to buy and run a record store in Ann Arbor for 15 years. He moved to Detroit after marrying Donna Terek, a *Detroit News* photographer, and started a new career selling houses in the city.

Ten years later, he realized he was tired of the erratic hours and increasingly shady mortgage deals. So he quit and, with a partner, decided to buy a bar that would feature live music.

Rebuilding from scratch

It took eight months to find the right spot: a bar called the Lager House. The pair bought the 1914 building on a land contract for \$300,000 and paid \$50,000 for the business. "The owners' business volume had been slipping and the building was falling apart," Ryder says. But he was thrilled with the purchase, and closed the deal in October 2007.

Ryder funded the down payment with \$100,000 he inherited after the death of his father and a \$50,000 home equity loan. But before investing any money in the deal, his partner bowed out. "It threw me for a loop, but I had no choice and moved ahead," Ryder says.

Ryder called in experts to help him structure his new business. An attorney set up the bar as an S-corp named Grootka Inc.; the building is owned by Essoterek LLC. Keeping the two projects separate protects both in the event of a lawsuit against one or the other.

He also turned for advice to his neighbour Gary Shields, an adjunct professor in Wayne State University's School of Business, Management and Information Sciences. Shields, who owns a test preparation company for graduate students, teaches an elective on entrepreneurial management. Ryder visited the class to talk about his new venture, and students wrote a business plan.

The exercise illustrated some of the misconceptions people hold about entertainment businesses. The students expected that the bands would bring in buckets of money. "If the business plan had worked out, P.J. would be a millionaire," Shields says.

Not quite. To get working capital for the bar, Ryder tapped out his credit cards. The interest charges climbed up to \$600 a month, prompting him to borrow from his Roth IRAs to pay off the credit card debt. "The first year, I also was taking money out of our personal savings accounts every two to three months," Ryder says. He estimates that he eventually withdrew \$30,000. "I had a lot of skin in the game."

He has not yet been able to replenish the IRAs or the savings account.

Any cash the bar took in during the early days went toward paying down the land contract and repairing the building. Ryder replaced the air conditioning and bought a new compressor. He fixed up the roof, floors, ceiling and basement, and revamped the bar top to add dozens of colourful guitar picks covered with lacquer.

To boost the business's revenue, Ryder renovated and rented out the two apartments above the club. "The way this place is working, the landlord business may be more profitable than the bar," says Erik Melander, Ryder's accountant.

He isn't kidding. From January to October of this year, the bar -- Grootka -- had an average monthly income of \$25,000 and expenses of \$26,370.

What it costs

First there's the \$3,000 rent the bar pays to its landlord, Essoterek. Beverages cost \$7,000 and music runs another \$5,000, including fees for a soundman and doorman. Bands are paid 90% of the cover charge, which averages \$5. When there is no cover, bands get 20% of the bar sales -- 25% if they bring in a large crowd.

Other monthly overhead expenses include \$1,300 for property tax, repairs and insurance; \$800 for advertising; \$1,500 for sales tax; \$500 for credit card fees and related expenses; \$700 for utilities; \$170

for legal fees and \$700 for accounting services. Salaries for the bar's three full-time employees, plus a few part-timers, add up to \$4,000.

Toss in another \$1,700 for ancillary expenses, and you get a bar that's about \$1,000 short of turning a profit.

Sales fluctuate month to month. Summer is the slow season, but business is so brisk on the day of Detroit's St. Patrick's Day parade -- which runs past the bar -- that it counts as a 13th month of income. The club also booms when the Detroit Tigers play their home opener.

"The previous owners had gross annual sales of \$200,000. We did \$220,000 in the first calendar year and are projecting \$300,000 this year," Ryder says.

During the same timeframe, the building -- Essoterek -- produced monthly income of \$3,800, from the rent paid to it by the bar and a tenant who has rented out both apartments. Essoterek's monthly expenses include \$1,200 for maintenance and repair bills, \$500 for utilities, \$120 toward new carpeting, \$1,300 to pay off the land contract and interest, and \$140 in accounting, legal and insurance fees. With bills totaling \$3,260, that leaves Essoterek clearing a monthly profit just shy of \$600.

What's kept Ryder afloat through two unprofitable years is the financial cushion of his wife's steady job and benefits. But he went in knowing that launching a business would be rough, and he hasn't regretted it for a moment. "If I were a woe-is-me person, I would have a hard time in this business," he says.

He works 60 to 70 hours a week, and often stays at the bar until 2 a.m. With a reliable staff now in place, he's finally able to take time off every so often, but the bar business isn't one for hands-off owners: "If I need to be at the business until 3 a.m., I'm there. If I need to be back at 8 a.m., I'm there."

Melander quips that if Ryder would stop investing in the business, he might make more money. But Ryder clearly takes pride in the appearance of his club. He's just started installing a kitchen in back of the performance space. He plans to rent the area to a cook, to operate an independent business feeding the bar's customers.

Launching P.J.'s Lager House has been an expensive venture, but Ryder is thrilled he's had the opportunity to chase it. Not many big cities allow an entrepreneur without millions of dollars to buy a building so close to downtown and build a business, he points out. Other small businesses are slowly populating Corktown, bringing new entrepreneurs into the area.

Ryder loves having neighbours. "I hope over time it will meet a critical mass," he says.

http://money.cnn.com/2009/12/17/smallbusiness/detroit_business_what_it_costs/

VOCABULARY TO THE TEXT

anticipate (verb) – to feel or realize beforehand; foresee

booze (noun) – an alcoholic drink

PBR – Pabst Blue Ribbon (beer name)

downtown (noun) – a city's core, usually in a geographical, commercial sense

budget gap – a hole in some budget

hover (verb) – to remain in an uncertain or irresolute state

squeamish (adjective) – easily shocked by anything slightly immodest

round-the-clock labour – to work in accordance to a fixed schedule

erratic (adjective) – unusual, irregular, deviating from the usual or proper course

shady deals – black deals

slip (verb) – to go slightly down

be thrilled (verb) – be very happy because of something

bow out (verb) – to leave some position, job

replenish (verb) – to make full or complete again

soundman (noun) – a technician who produces sound effects

doorman (noun) – a person at a nightclub who acts as doorkeeper and may perform services for entering and departing residents or guests.

toss in (verb) – add

brisk (adjective) – quick

tenant (noun) – a person that rents a certain place

carpeting (noun) – covering a place with carpets

the financial cushion – a certain amount of money saved to be used later in case of money problems

a woe-is-me person – a person who likes to cry and is easily hurt by something

quip (noun) – some statement, which has some clever points in it

***Answers to the exercises.**

Exercise.

1. The board of directors has involved a lot of people into new policies' discussion.
2. Introduction of new equipment hasn't enhanced employee's performance.
3. Why have you made so many mistakes in so small report?
4. A lot of changes have happened at our company recently.
5. Have you changed your position about my offer?
6. Why have you made such a judgement about him?
7. One of my colleagues has recently been promoted.
8. She hasn't given an answer yet, but I think she will do it soon.
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24. We have achieved quite good results due to using new technology at our plant.
25. Have you decided yet where to shift your production?
26. Unfortunately, we haven't met the deadline and as a result we have a cancelled project now.
27. Not everyone has voted for changes.

Brain teasers:

Answer 1.

Louise - zebra - California, Lise - tiger - Texas, Carole - pony - Florida, Lily - lion - Arizona

Answer 2.

He transports the duck. He returns to get fox; transports fox but brings back duck. He leaves duck on shore and crosses with corn. He leaves corn with fox and returns to get duck.

You can contact us via:

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