

UNIT 7- ECONOMICS



READING- A New Business Model: Do Well While Doing Good

PREVIEW THE READING

A- Quick Discussion



Discuss these questions with your classmates.

1. Have you ever thought about starting your own business? If yes, what kind of business would you like to have?
2. When you buy something, do you think about the company that you are purchasing from? For example, are you curious about where and how the products are made?
3. Why do businesses want to help others? Are consumers different today than in previous times?

B- Preview Look at the title and headings. What do you think the article is going to tell us about businesses that want to help others? Check (✓) your answer.

- ☐ Companies are having a hard time making money while helping others.
- ☐ Consumers are interested in the kinds of products social enterprises offer.
- ☐ Entrepreneurs have figured out ways to help others by doing more than just donating goods.

C- Vocabulary Complete the paragraph with the vocabulary from the text. You may need to change the form of some of the words.

address (v.)

focus (n.)

model (n.)

aspect (n.)

give back (v. phr.)

movement (n.)

concerned (adj.)

inspired (adj.)

seek (v.)

I recently read about a company that is a social enterprise. I went to the store to buy some cleaning products. I was ¹ _____ about all of the chemicals listed on the back of some of these products. Then I saw a product that claimed to be free of such ingredients. When I got home, I looked up the company on the Internet. It seems that the company was established by two college friends who were also ² _____ natural cleaning products. Their story is quite interesting. They started making the products in their bathtub. After selling some of the products on the Internet, they started this company that has as its ³ _____ the elimination of chemicals from the environment. Their business ⁴ _____ has a social ⁵ _____ built into it. They want to eliminate toxic products from the environment. Through their company, they are making a small dent in doing so. They were one of the earlier businesses involved in a growing ⁶ _____ to do social good. They ⁷ _____ the issue of climate change by creating "green" products. They have even constructed their latest office in the greenest possible way. I feel ⁸ _____ by their story and hope I can use my skills to start a company that can also ⁹ _____ to society.

A NEW BUSINESS MODEL: DO WELL WHILE DOING GOOD

1 In the business world today, there is a growing **movement** to include a social component in a company's business plan. More and more young entrepreneurs feel the need to **give back** to the community in some way, and they've included this **aspect** in the companies that they are establishing.

Why the Change?

2 Some say that it's the young people who feel differently about their futures. They don't want their work to be just about making money. Many young business people feel the desire to help others while fulfilling their own dreams of having a successful company.

3 And they've seen other successful stories to guide them, for example, lifestyle brand TOMS started in 2006. This is a company that was established on the principle of "One for One®." This means that when you purchase one of their products—for example, shoes—the company will donate a new pair to a child in need. So the company is based on a principle in which it has a product that earns them money but also allows them to give back to people. As of 2018, it employed around 500 employees and gave away 86 million pairs of shoes, provided 600,000 sight restorations, and helped secure 600,000 weeks of safe water to many communities around the world.



Children in TOMS shoes

4 Many consumers also like the idea of giving back to the community. In a recent survey, 66 percent of people said they would pay more for an item if the company was doing social good with their purchases. It makes consumers feel good because they are indirectly helping someone in need by their purchase.

From footwear to eyeglasses

5 It's not just a simple product that is the **focus** of these social ventures. Another company, Warby Parker, sells eyeglasses. They also help people in developing countries to see better. Using the one-for-one **model**, Warby Parker donates a pair of eyeglasses for every pair of Warby Parker eyeglasses purchased. (As of 2018, 2 million pairs of glasses had been donated. The company is valued at \$1.75 billion.) In addition to eyeglasses, the company works with partners both in the U.S. and in developing countries that provide vision tests and glasses for children and adults. One of their partners, VisionSpring, has provided vision tests and eyeglasses to millions of people around the world. The impact of all of this is easy to see. When a person's vision is improved, he or she will be able to learn better in school or be able to get a job and work better. This improves life for individuals and the overall economy of a particular area.

How it works

6 With most social enterprises, there is a legitimate business of selling either goods or services. These companies are clearly for-profit businesses. From the profits of the goods sold, the company is able to donate goods or services to others around the world. Very often, the price of the goods bought is much higher than the goods provided, but as has been noted, people are willing to pay more for a product or service if they know that this is benefiting society in some way. The important difference between for-profit and social businesses is that the social give-back element is built into the business model of social entrepreneurship. You could say it's part of its DNA.

Different models

7 Some companies do not necessarily donate goods, but focus on global issues, such as the environment. One company, Nokero, has invented and produces very efficient solar lights. The name of the company means *no kerosene*. The company's mission is to eliminate the use of kerosene around the world. There are an estimated 1.2 billion people in the world that have no electricity. They rely on kerosene for both cooking and lighting. Kerosene is a very dangerous material, easily causing fires. It is also a major pollutant of the air. Nokero tries to **address** this problem. It provides people with



Nokero lights

an alternative to kerosene. They sell their lights to NGOs¹ at greatly reduced prices. The NGOs then distribute the lights to areas of need. The company tries to solve a global problem, but also is profitable. In 2015, it had earned \$2 million in revenue.

8 Another environmental social venture is United by Blue. The company was started by a scuba diver who was **concerned** about the growing amount of plastic and other garbage in the oceans. He started a clothing company, and for each purchase, the company will clean a pound of garbage from "the world's oceans and waterways." To date, the company has cleaned over a million pounds of garbage from the water.

What they have in common

9 All of the founders of these social enterprises have a few qualities in common. First, they saw a problem and thought of a creative way to address it. Second, they are enthusiastic, even passionate about their cause. In addition, they are determined to make their company work. To this end, they **seek** experienced people to help them meet their goals. And finally, social entrepreneurs feel **inspired** by their work, especially when they see the results of their efforts firsthand. This is probably what keeps them, and their companies, going.

¹ **NGO:** non-government organization

WORK WITH THE READING

A- Apply Complete the statements from the reading. Circle the correct answer.

1. In paragraph 5, line 1, the word ventures most likely means _____.
 - a. new businesses
 - b. trips
 - c. products
2. In the last line of paragraph 5, the word this refers to _____.
 - a. the amount of money the company earns
 - b. getting cheap eyeglasses
 - c. providing vision tests and eyeglasses to millions of people
3. In paragraph 3, line 8, give back most likely means _____.
 - a. return
 - b. provide help
 - c. get money
4. In paragraph 7, line 6, this problem refers to _____.
 - a. how kerosene is dangerous and pollutes the air
 - b. not enough food
 - c. not enough water

5. Look back at the title of the article. Do Well most likely means _____.
a. start a business
b. be successful
c. get a job
6. Doing Good most likely means _____.
a. helping others
b. earning money
c. being successful

B- Identify Complete the main ideas from the reading. Use the phrases from the box.

has donated millions of shoes to people in need
feel inspired to continue
like the idea of giving back
provide light and reduce pollution
make a difference in the world
is built into their business model

1. One of the reasons that the business model has changed is that many consumers

2. Young business people feel differently about making money and want to

3. TOMS is an example of a for-profit business that

4. The difference between for-profit companies and social businesses is that in social enterprises, the social give-back element

5. Nokero produces efficient solar lights which they sell at reduced prices to NGOs and, in this way, can

6. One quality of social entrepreneurs is that when they see the results of their work, they

C- CATEGORIZE Complete the chart with the information from the box: the problem or situation that the business founders saw, what they sell, and the effect or result.

pollution in oceans

people can't see/vision problems

pollution and fires

~~kids have no shoes~~

~~shoes~~

clothes

eyeglasses

solar lights

~~poor people have shoes~~

cleaner oceans and waterways

people have light after dark; less

danger/pollution

people get glasses/have better vision

| | <i>Problem/Situation</i> | <i>What they sell</i> | <i>Effect/Result</i> |
|--------------------------|---------------------------------|------------------------------|-----------------------------|
| 1. TOMS | kids have no shoes | shoes | poor people have no shoes |
| 2. Nokero | | | |
| 3. United by Blue | | | |
| 4. Warby Parker | | | |

VOCABULARY SKILL Collocations with verbs

Collocations are words that are frequently used together. Learning collocations can improve your vocabulary and can help your writing sound more natural. Look at the examples of collocations with the verbs **provide** and **address**.

A free school meal provides a way for children to get healthy.

Solar lamps provide an alternative to kerosene.

Lauren Bush Lauren's company addresses the issue of child hunger.

Social entrepreneurs find creative ways to address social problems.

APPLY Complete the sentences with a form of the verb **address** or **provide**.

- Many young students hope to _____ climate change.
- Working from home _____ an alternative for new parents.
- The organization arranges transportation, and this _____ for workers to get to their jobs.
- Growing sales of the clothing help the company _____ problem of pollution of oceans.
- Having a job that paid her a decent wage _____ to get up each morning.



WRITING

GRAMMAR- Nominalisation

What is Nominalisation?

Nominalisation is a type of word formation in which a verb or an adjective (or another part of speech) is used as a noun or a noun phrase.

In academic writing, we use nominalization to make texts less personal and authoritative, and also to avoid repetition.

- Climbers were determined to get to the top of the mountain.

adjective

Climbers had the determination to get to the top of the mountain.

noun

- The animals living in a certain area all compete for food.

verb

The animals living in a certain area are all in competition for food.

noun

EXERCISE 1: Write possible noun forms for the following verbs.

1. research: _____
2. influence: _____
3. predict: _____
4. arrange: _____
5. suggest: _____
6. donate: _____
7. write: _____
8. dedicate: _____

EXERCISE 2: Write possible noun forms for the following adjectives.

1. different: _____
2. happy: _____
3. determined: _____
4. poor: _____
5. difficult: _____
6. significant: _____
7. beautiful: _____
8. confusing: _____

EXERCISE 3: Complete the sentences with the noun forms words in brackets.

1. The _____ (discover) of a new species of monkey in Africa is of great _____ (interesting) to both naturalists and the general public.
2. The increase in obesity is causing _____ (concerned) among doctors.
3. They apologize for any _____ (confusing) that was caused by the last-minute _____ (change) to the schedule.

4. Competitive athletes must have _____ (dedicate) because it takes a lot of time and hard work to be successful in sports.
5. Before the _____ (develop) of social media, _____ (communicate) between teenagers was limited to the telephone.

EXERCISE 4: Fill in the gaps in the second sentences with nouns so that they have a similar meaning to the first sentences. The first one is given as an example.

1. a) She wrote books that children enjoyed.
b) Children enjoyed her writing.
2. a) I failed to get good enough grades to get into university because I was ill on the day of the exam.
b) The reason for _____ to get good enough grades to get into university was _____ on the day of the exam.
3. a) The report analyzes the problem of climate change and describes three potential solutions.
b) The report gives _____ of the climate change problem and _____ of three potential solutions.
4. a) The reading part of the exam is difficult because it has long articles with lots of new vocabulary in them.
b) The _____ of the reading part of the exam is due to its long articles containing a lot of new vocabulary.
5. a) If you use the Internet, you risk getting viruses and losing important documents.
b) _____ of the Internet increases the _____ of getting viruses which may cause the _____ of important documents.
6. a) The President did not explain the pardon of his business friend.
b) The President did not provide an _____ for the pardon of his business friend.

