

Lesson 4

WORDS TO LEARN

address
avoid
demonstrate
develop
evaluate
gather
offer
primarily
risk
strategy
strong
substitution

Business Planning

Study the following definitions and examples.

1. **address** n., a formal speech; v., to direct to the attention of
 - a. The article praised her address to the steering committee.
 - b. Marco's business plan addresses the needs of small business owners.
2. **avoid** v., to stay clear of; to keep from happening
 - a. To avoid going out of business, owners should prepare a proper business plan.
 - b. Lloyd's errors in accounting could have been avoided by a business consultation with his banker.
3. **demonstrate** v., to show clearly and deliberately; to present by example
 - a. Alban's business plan demonstrated that he had put a lot of thought into making his dream a reality.
 - b. The professor demonstrated through a case study that a business plan can impress a lender.
4. **develop** v., to expand, progress, or improve
 - a. Lily developed her ideas into a business plan by taking a class at the community college.
 - b. The restaurant Wanda opened ten years ago has developed into a national chain.
5. **evaluate** v., to determine the value or impact of
 - a. It's important to evaluate your competition when making a business plan.
 - b. The lenders evaluated our creditability and decided to loan us money.
6. **gather** v., to accumulate; to conclude
 - a. We gathered information for our plan from many sources.
 - b. I gather that interest rates for small businesses will soon change.
7. **offer** n., a proposal; v., to propose; to present in order to meet a need or satisfy a requirement
 - a. Devon accepted our offer to write the business plan.
 - b. Jackie must offer her banker new statistics in order to encourage the bank to lend her money toward her start-up business.
8. **primarily** adv., first; most importantly
 - a. We are primarily concerned with convincing the board of directors to apply for the second loan.
 - b. The developers are thinking primarily of how to enter the South American market.
9. **risk** n., the chance of loss or damage
 - a. The primary risk for most start-up businesses is insufficient capital.
 - b. Expanding into a new market is a big risk.
10. **strategy** n., a plan of action
 - a. A business plan is a strategy for running a business and avoiding problems.
 - b. Let's develop a strategy for promoting our ice cream parlor.
11. **strong** adj., powerful; economically or financially sound
 - a. The professor made a strong argument for the value of a good business plan.
 - b. Even in a strong economic climate many businesses fail, so do your planning carefully.
12. **substitution** n., replacement
 - a. Your substitution of fake names for real ones makes the document seem insincere.
 - b. There is no substitution for hard work and perseverance.