



Will robots replace workers?



How do you become a billionaire?



USBORNE

# BUSINESS FOR BEGINNERS

How do you start a business?



Why do some businesses fail?

Bright ideas



From field...







**USBORNE  
BUSINESS**

**FOR BEGINNERS**

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# Contents



What is a business?	4
Why do we need businesses?	6
Business is everywhere	8
Why set up a business?	10

## **Chapter 1: How to start a business**

Do you want to start a business? 13

Here are the basics

you need to get stuck in: thinking up  
business ideas,

testing them, sussing out your  
competition, and

raising the money you need to start.

## **Chapter 2: How to sell your stuff 31**

Raring to go? Now you need to  
answer these

questions: where should your goods  
or services be

on sale? How much should you



**Chapter 5: Making a product** 83

How do you make something that is high quality, without it costing too much? How do businesses satisfy customers and protect the environment at the same time?

**Chapter 6: Growing the business** 95

Bigger is better, isn't it? But how do you grow your business? And can a business ever get *too big*?

**Chapter 7: The bigger picture** 109

All businesses are affected by the world

around them. Find out about the economy and interest rates and how they affect business. Discover how governments support and control businesses, and the impact of new technology.





# What is a business?

Whether it's one person running a market stall or a big, well-known company with thousands of people working for it, all businesses

make and do things people need, in exchange for something. A business might be...

...usually money...a farm.

To be successful, a business has to make more money than it spends. This is known as making a **profit**.

...a store on a street.

We sell medicines.

We keep our customers' money safe.

...a website.

**BUYSHOES.COM**

40,000 people work for this airline company. We're a **large business**.

The shoes of your dreams!







...an oil well.

...a factory.

There are 700 of us working in this factory. We're a **medium-sized business**.

...a market stall.  
My business has just one worker - me!

...a car.

Most businesses, like my taxi service, employ fewer than ten employees. We're known as **micro-businesses**.

## What do businesses do?

Businesses make products and sell

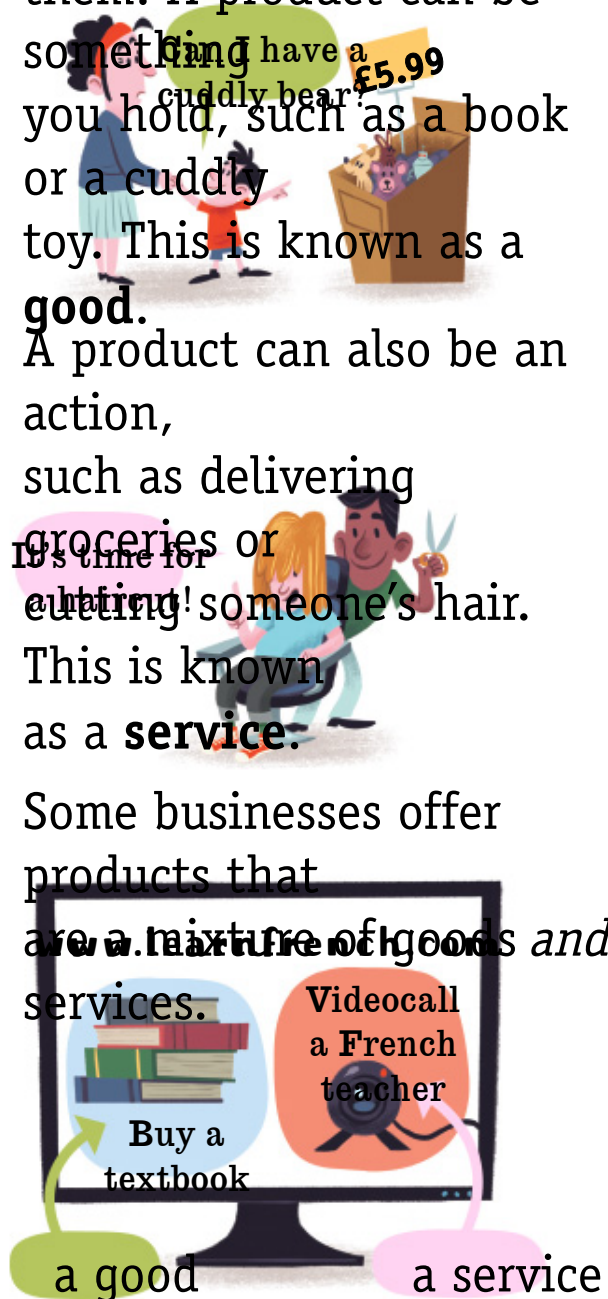
them. A product can be

something you hold, such as a book or a cuddly toy. This is known as a **good**.

A product can also be an action,

such as delivering groceries or cutting someone's hair. This is known as a **service**.

Some businesses offer products that are a **mixture of goods and services**.



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# Why do we need businesses?

Imagine a world without businesses. You'd have to make or get

everything you needed by yourself – and everyone else would too.

Here's an example of a need: a chocolate cake. You don't *need* a cake! You need a winter coat. It's still called a 'need' even if it's just something you want to have.



Most people can imagine baking a cake by themselves.

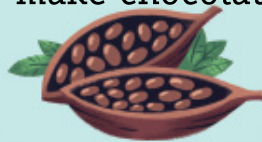
## Ingredients

- Eggs
- Flour
- Butter
- Chocolate



But imagine having to make and grow all the ingredients as well. You'd have to...

...grind cocoa beans to make chocolate.



...churn milk into butter.



...find a hen and collect its eggs.



...plant wheat and mill it into flour.



Mmm, this might take a while.



Splitting work is a more effective way of satisfying people's needs. An individual person, or group of people, can specialize in the things they are good at, and turn those into **businesses**.



I grow wheat and sell it to a flour mill.



We produce chocolate and sell it to shops.

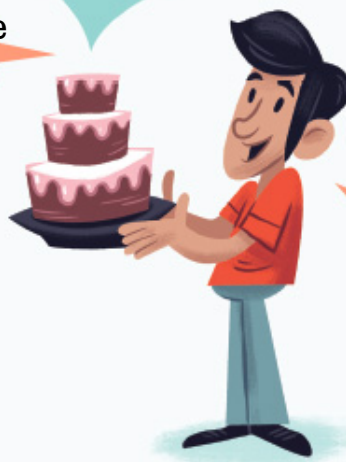
The milk from my cows is sold in local shops. Each person sells their goods or services, and I get paid to install ovens into people's homes. uses the money to buy other things they need.



I make money from writing recipe books.



I couldn't have made my cake without all those businesses.



And now I could even start *my own* business making and selling cakes. Then I could use the money I make to buy a winter coat.



# Business is everywhere

Here are some examples of the range of needs that people have, and the kinds of businesses – and business people – that meet them.





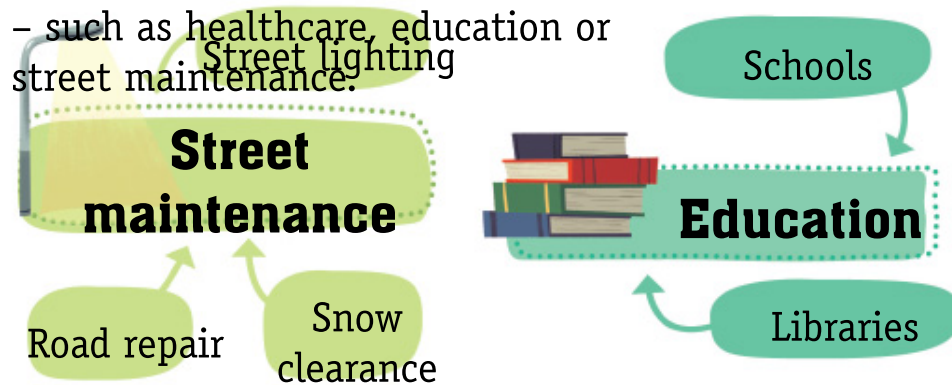


## ...but not quite everywhere

Some goods and services are provided by *governments* instead of businesses. This might be because the government has decided to make something available to everyone – whether they can pay for it or not – such as healthcare, education or street maintenance.

Could I get clothes for free?

No, but some other things are often free.





# Why set up a business?

Someone who sets up a business is often called an **entrepreneur**.

There are all kinds of reasons why people become entrepreneurs.



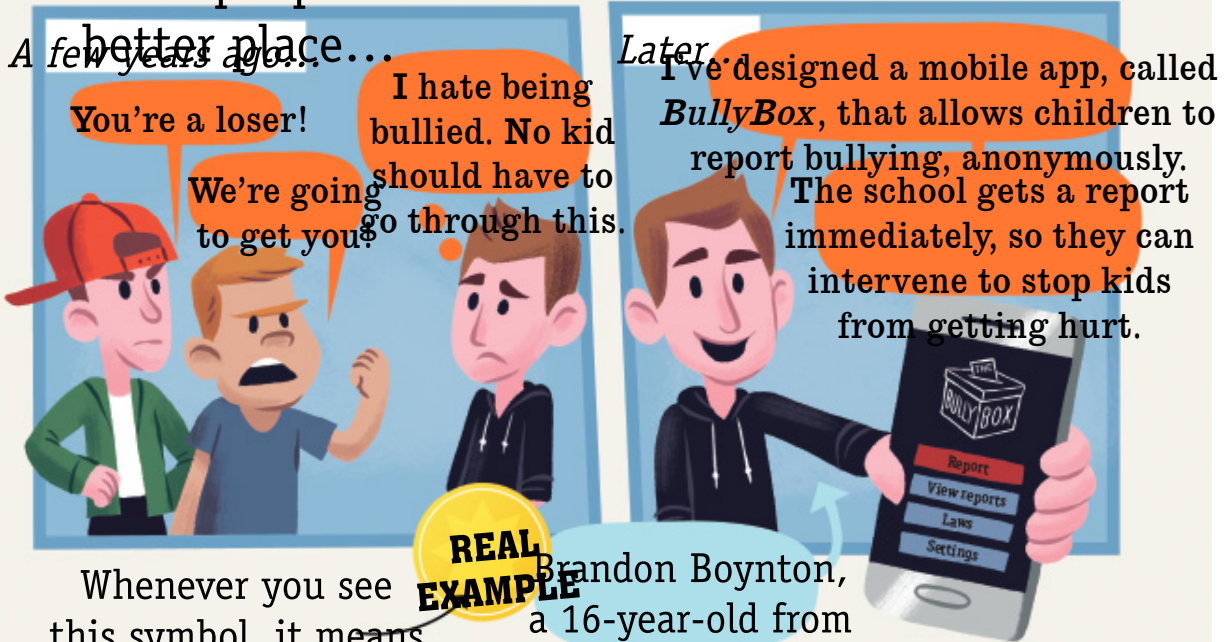
Sometimes, someone spots a problem, and wants to fix it...





Some people start a business to make the world a

better place...



Whenever you see this symbol, it means the example is about

Brandon Boynton, a 16-year-old from Indiana, USA

Some entrepreneurs get a buzz from turning ideas into products...

One day my school bus was late and my parents were very worried.

It gave me the idea for an app that tracks the school bus, so parents can meet their kids at the bus stop at exactly the right time.



It felt great to see my idea through. The app, called *Locatera*, has now won prizes S. Anand, a 12-year-old from Chennai, India

Entrepreneurs tend to start businesses for a combination of these reasons. They

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