**Lecture 1 Finance and Economy（词义的选择和引申）**

**Start Your Own Business Now**

With the national unemployment rate near double digits and credit markets tight, now is a great time to start a business. Really, it is. Think about it: thousands of workers can’t find jobs, so the talent pool is large and cheap. Good jobs seem less secure as companies cut hours and salaries so people are more likely to risk working for a startup. True, loans and venture capital funding are harder to secure. But even that is more of a hurdle than roadblock. Bootstrapping an entrepreneurial idea with your own capital is often the best way to go, say James Shein, a professor at the Northwestern University Kellogg School of Management. “It’s so hard to raise money during a recession that people now have to sort through their ideas.”

Many successful companies were started during periods of economic downturns, including Microsoft and Southwest Airlines. These businesses don’t share any single startup formula for success, according to business historians. Instead, it is a combination of luck, good ideas and the willingness to work killer hours. In the case of Microsoft and CNN, having charismatic leaders such as Bill Gates and Ted Turner also helps. “Most really good businesses tend to have someone in charge with an evangelical belief in the product – people who will give up their lives to get this done,” Shein says.

Microsoft was, for example, incubated during the recession and oil crisis of the mid ‘70s.The company began modestly in New Mexico in 1975, when friends Paul Allen and Bill Gates developed a computer language for personal computers that was quickly copied by other programmers. In an open letter to software writers, Gates called for an end to unauthorized copying and made the case to have coders be paid for their work. By 1981, Gates had expanded company and partnered with IBM, which ran Microsoft products and operating systems in its new personal computers. “Despite the fact that it started in bad economic times, Microsoft was providing services for a booming product,” says Richard D’Aveni, professor of strategic management at Dartmouth University’s Tuck School of Business.

But, Microsoft did more than simply position itself in the right place, at the right time. In its partnership with IBM, Microsoft kept the copyright for the software for the PC operating system: the logic being that other manufacturers would inevitably copy IBM’s personal computer; Microsoft would make even more money licensing software to other manufacturers.

For Southwest, finding success meant finding a niche. In 1971, it started limited flights between Dallas, Houston, and San Antonio. Unlike other airlines, Southwest did not assign seating or offer any food or entertainment on the flights. It also didn’t operate out of expensive major airport hubs where they would have to go head-to-head with established carriers. “It used the tactic of avoiding competition and, at the same time, being the low-cost player during a bad time,” D’Aveni says. “In a time period which could have been hostile, they were insulated because of their low prices and operating model”. With fares that were 50-70 percent cheaper than their competition, Southwest was able to democratize air travel. **(520 words)**

What types of successful startups will most likely emerge from this recession? Green technology is a good bet. With $11 billion in stimulus money going toward modernizing the electric grid and $14 billion to expanding tax credits for renewable energy facilities, many startups that develop technologies and products surrounding wind and solar will get a boost. As the economy rebounds, these small businesses could be a source of innovation and job creation, particularly for workers who want to feel like they have more control over their careers.

“Big businesses are the ones doing the cutbacks and the outsourcing,” says Northwestern’s Shein. “They have a right to, but it’s small businesses that are providing the jobs.” In fact, small businesses created roughly 80 percent of new jobs in 2005, according to the U. S. Small Business Administration’s most recent data.

That’s unlikely to change. “The bad times are the best times for starting companies,” says Gregg Fairbanks, a professor of business administration at the Tuck School. Tough times require innovation and figuring out how to do more with less, he adds. That’s a lesson we could all learn in this economy. (191 words)

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