



THE TIMES 100

Edition 14

Duncan Bannatyne: From ice cream van to Dragon's Den

Answer sheet

1. What is an entrepreneur?
An entrepreneur spots a niche in a market and sets up a business to take advantage of it. Someone who takes risks.
2. What are the advantages and disadvantages of working as a Sole Trader?
Advantages ó own ideas, make all the decisions, keep all the profit
Disadvantages óunlimited liability, lack of capital, lack of skills, have to do all the jobs yourself (workload), lack of ideas
3. What is the difference between Job Enrichment and Job Enlargement?
Job enrichment is when an employee adds variety to their job and therefore does more different jobs, whereas Job enlargement is when the employee does more of the same type of job.
4. Why is on-the-job training important at Bannatyne?
So it is done the Bannatyne way. It is cheaper to do it in house and the employees are on the premises actually doing the job.
5. Using examples, explain what ósweating assetsö are.
When a business uses its assets continually, making them earn their way in the organisation, much like Easyjet have their planes in the air as much as possible. Idle machinery means lost revenue.
6. Business plans are required by the bank and investors when money is required. In what other ways is it useful for the entrepreneur to have a business plan?
So that they have a document that reminds them of their focus and also ensures that the entrepreneur has thought about all aspects of the business.
7. What is the difference between limited and unlimited liability?
Limited liability means - if the business went bust, the investors would only be liable for their investment, whereas if the business went bust and it had unlimited liability - the owners would be liable for all of the debts which could mean the owners having their possessions repossessed to the value of the debt.
8. Why do businesses float their companies?
To raise more capital.



THE TIMES 100

9. Why does Duncan Bannatyne demand that Entrepreneurs in Dragons Den demand that they invest their own money first?
So he knows they are truly committed to the business idea and are willing to risk their own money.
10. What is Capacity Utilisation, and how has Bannatyne utilised his assets to achieve a fuller capacity?
He bought larger plots of land and situated his hotels next to his health clubs, therefore allowing him to share staffing, reception and breakfast facilities. This therefore keeps staff and facilities busy.
11. What are the advantages to a business of remaining as a Ltd company as opposed to becoming a Plc?
Have limited liability and so can raise extra capital through the sale of shares if needed and also can prevent itself from being taken over by a bigger company e.g. Malcolm Glazer and Manchester United.